



Daily Report

Latin America

FBIS-LAT-92-102
Wednesday
27 May 1992

Daily Report

Latin America

FBIS-LAT-92-102

CONTENTS

27 May 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTER-AMERICAN AFFAIRS

Rio Ministers Declaration on Peru, Haiti, Cuba [Santiago Radio]	3
Defense Council Rules Out Reducing Armed Forces [Mexico City NOTIMEX]	3

CARIBBEAN

Cuba

Castro Attends Africa Day, OAU Anniversary [Havana Radio]	4
Raul Castro Tours Areas of Camaguey Province [Havana TV]	4
FAO Donates \$250,000 for Agriculture Aid [Havana Radio]	4
Commentary Notes Medical Assistance to Nicaragua [Havana Radio]	4
Ties Begin With St. Vincent and the Grenadines [Havana TV]	5
Arab Enterprise Committee Formed in Havana [Havana Radio]	5
Prosecutor Interview on Dissidents Trial [Havana Radio]	5
Reduced Electric Consumption Noted in Provinces [Havana TV]	6
Sugar Complex Reaches Goals Despite Difficulties [Havana Radio]	7
Sugarcane Planting Still in 'State of Emergency' [Havana Radio]	7
Mobilized Workers Join Las Tunas Sugar Harvest [Havana Radio]	7
Mincom Inaugurates Telephone Communications Plant [Havana TV]	7

Dominica

Decision on Haiti 'Unfortunate,' 'Understandable' [CANA]	8
--	---

Dominican Republic

U.S. Demand for Acceptance of Haitians Viewed [Santo Domingo Radio/TV]	8
--	---

Haiti

Executive Signs Amended Tripartite Agreement [Port-au-Prince Radio]	8
Ministry Issues Communique on Murders, Weapons [Port-au-Prince Radio]	9
Further on Cedras Response to Statements on Army [Port-au-Prince Radio]	9
Further on Protests in Cap-Haitien, Les Cayes [Port-au-Prince Radio]	11

MEXICO

President Comments on Productivity Agreement [Mexico City TV]	12
Foreign Secretary on Agreement Signed With EC [Mexico City TV]	12
Government Creates Social Development Secretariat [Mexico City TV]	12
New Secretary Appointed [Mexico City TV]	13

CENTRAL AMERICA

El Salvador

Deputy Minister Protests FMLN Accusations [San Salvador Radio]	14
ONUSAL To Remain Three More Months [San Salvador TV]	14

Commentary Foresees Deterioration in Compliance [San Salvador Radio]	14
ANEP on Conditions To Participate in Forum [San Salvador TV]	14
Public Security Academy Scheduled To Open 1 Jun [San Salvador TV]	15

Guatemala

Serrano Fails To Testify on Civilians' Death [SIGLO VEINTIUNO 26 May]	15
Defense Minister Denies Use of Claymore Mines [EL GRAFICO 23 May]	16

Honduras

Salvadoran With Rifles, Ammunition Arrested [TIEMPO 22 May]	16
Further on Weapons Seizure [Mexico City NOTIMEX]	16

Nicaragua

Cesar Accuses Gen. Ortega of Usurping Powers [Managua Radio]	17
Humberto Ortega Denies Resignation 'Rumors' [Managua Radio]	17
Cesar Delays Ratification of Regional Protocol [LA PRENSA 20 May]	18
EPS Issues Communique on National Security [Managua Radio]	18
EPS Spokesman on 'Attempted Barracks Coup' [Managua TV]	20
'Revueltos' in Chinandega Surrender Weapons [BARRICADA 23 May]	21
INE Director Announces Russian Investments [LA PRENSA 23 May]	21
Preparations Under Way for Presidential Summit [Managua TV]	22

Panama

Suspension of Relations With Peru Announced [Panama City Radio]	22
Endara Comments [Panama City Radio]	23
First Vice President Talks About U.S. Tour [EL PANAMA AMERICA 26 May]	23
IDB, AID Reportedly Withholding \$102 Million [LA ESTRELLA DE PANAMA 27 May]	24
New Civilist Organization States Principles [EL SIGLO 20 May]	24
Majority Favor Extension of U.S. Military Lease [LA ESTRELLA DE PANAMA 25 May]	24
Unemployment, Drugs Major National Issues [EL PANAMA AMERICA 22 May]	25

SOUTH AMERICA

Argentina

President Discusses Foreign, Domestic Issues [Buenos Aires TV]	26
Diplomatic Relations To Be Normalized With Peru [Lima TV]	29

Bolivia

Government To Grant Salary Increase to Military [La Paz TV]	29
Debts Reduced With France, Belgium, Austria [LOS TIEMPOS 16 May]	29
New 'Community and Democracy' Party Founded [La Paz TV]	29

Brazil

President Addresses Nation on Family Scandal [Rio de Janeiro TV]	30
Ministers Voice Support [O ESTADO DE SAO PAULO 26 May]	30
Police Begin Investigation [Rio de Janeiro TV]	31
Brother Removed From Business [O ESTADO DE SAO PAULO 26 May]	31
Scandal Affects Stock Market [O ESTADO DE SAO PAULO 26 May]	32
Meeting on Enterprises, Environment Concludes [Brasilia Radio]	32

Chile

Concern Over Free-Trade Talks With U.S. Noted [Santiago Radio]	32
New Rebel Group Formed 'To Help' Shining Path [Madrid EFE]	32

Army Purchases Israeli-Made MAPATS Missiles	[EL MERCURIO 16 May]	33
* Krauss Calls Drug Trafficking 'Potential Risk'	[EL MERCURIO 19 Apr]	33
Colombia		
Army Reports Uraba Region 'Under Control'	[Santa Fe de Bogota TV]	34
* Structure of Paramilitary Groups Described	[EL TIEMPO 16 Apr]	34
Ecuador		
Government Promulgates New Monetary, Bank Law	[Quito Radio]	35
Foreign Minister Discusses Banana Trade Talks	[Quito Radio]	36
Foreign Ministry Issues Report on Amazon Basin	[Quito Radio]	36
Peru		
Minister Bolona Explains Economic Policies	[LA REPUBLICA 17 May]	37
Official Confirms Break in Relations With Panama	[Lima Radio]	39
Government Deplores Decision	[Lima TV]	39
Political Struggle Needed To Fight Subversion	[EL PERUANO 15 May]	39
Rebel Leader Captured	[Lima TV]	40
Rebels Infiltrating Vendors	[EL COMERCIO 19 May]	40
APRA Accuses Fujimori of 'Intimidation' Policy	[Mexico City NOTIMEX]	41
Senator Criticizes Decree on Foreign Debt Notes	[LA REPUBLICA 18 May]	41
Uruguay		
Lacalle Appeals for Social Security Reform	[Montevideo Radio]	42
Meets With Sanguinetti	[Montevideo Radio]	44
Venezuela		
Military in Los Teques After Recent Violence	[Mexico City NOTIMEX]	44
Ochoa Confirms Theft of Weapons; Probe Continues	[Caracas TV]	44
New Supreme Court Board of Directors Elected	[Caracas TV]	45

Inter-American

The Rio Group foreign ministers issue a declaration about the institutional disruption in Peru and Haiti and on the long absence of democracy in Cuba, according to Santiago radio. The ministers express "great concern" over the Cuban situation "and for its future." They regret "the disruption of the democratic system in Peru caused by President Fujimori's palace coup," and urge him to respect human rights and democratic guarantees. The ministers condemn the military coup in Haiti and urge "the culprits to restore the democratically elected authorities to their posts and to observe the OAS decision to mediate in the search for a solution."

Nicaragua

Managua radio reports that National Assembly President Cesar is irate about comments made by General Ortega. "In any civilized country," Cesar says, "General Ortega would have been replaced and tried for usurping presidential powers, openly meddling in the legislative branch, and usurping the powers of the judicial branch." Cesar claims Ortega is "a military chief who feels he has omnipotent power..." and Ortega's comments "upset the constitutional democratic order of the three government branches."

Managua radio reports that Gen. Ortega says talk of his resignation is "ill-intentioned rumors" made by "those who want to give the impression that Nicaragua is not viable... because everything is in crisis." "Someone," he says, "is interested in making remote the possibility of stability in the country."

Peru

A Foreign Ministry communique deplores Panama's decision to suspend diplomatic relations, Lima TV reports. The communique criticizes Panama's decision in light of Peru's commitment to return "promptly" to constitutional order and the decision by other countries of the continent to "normalize" their relations.

In an interview published in LA REPUBLICA, Economy and Finance Minister Bolona outlines his economic policies, saying a "political solution" must be reached to the situation in the nation because it "is creating problems" for the economy. Bolona says the government must show some flexibility, because "we will not get anywhere if we remain inflexible and avoid a dialogue." Bolona believes that resolving political problems is necessary because "no one can live isolated" from the international financial system. To think such a thing would be a "delusion."

Panama

Panama City radio reports that the Foreign Ministry issues a communique in which diplomatic relations with Peru are suspended "because of the disruption of constitutional order" in Peru. The government will withdraw its diplomatic representatives and invited Peru to do the same. The foreign ministry says further that for "more than eight months," Peru has not "satisfactorily" fulfilled Panama's repeated requests for extradition of two former military officers. Foreign Minister Linares says, "Panama would like to reestablish diplomatic relations," but requires Peru to return "to the path of constitutionality" and "offer an explanation for the disappearance of the two Panamanian former military officers." Panama City radio reports President Endara believes, "We are doing what our conscience and preestablished policy of following the Betancourt Doctrine dictates."

Haiti

Provisional President Nerette and Prime Minister Honorat sign the tripartite agreement among the provisional government, parliament, and the Army, Port-au-Prince radio reports.

Port-au-Prince radio reports the Ministry of Interior and National Defense "accuses several Haitian politicians of involvement in the murders of two soldiers and one civilian." The ministry says the politicians "have chosen precisely this moment to create disorder in the country in order to spoil all the good work that the provisional government and the Army have already performed." In order to "take all steps to guarantee the safety of the people," the Army General Headquarters advises suspension of permits to carry weapons.

Venezuela

The regional capital of Los Teques is under military control following street violence and looting that resulted in at least three injuries and property damage, NOTIMEX reports. Interior Minister Pinerua maintains that the violent demonstrations are "unjustified" and "inspired by extremist leaders." Pinerua criticizes the media for "exaggerating" the protests, and says the demonstrations "distract" the police from dealing with an "increasing crime wave."

Rio Ministers Declaration on Peru, Haiti, Cuba

PY2705014692 Santiago Radio Cooperativa
Network in Spanish 2300 GMT 26 May 92

[Text] The Rio Group foreign ministers have issued a declaration about the institutional disruption in Peru and Haiti and on the long absence of democracy in Cuba. The document was delivered to the Chilean Foreign Ministry, where the EC and Rio Group foreign ministers will hold their second meeting on 28 and 29 May.

As for Cuba, the ministers voiced their great concern over the situation in that country and for its future. They also stated that a new dialogue between Cuba and the other Latin American countries within a framework of expansion will make the changes easier and help solve pending problems in compliance with international law.

The ministers regretted the disruption of the democratic system in Peru caused by President Alberto Fujimori's palace coup. They urged him to guarantee full respect for human rights and individual and democratic guarantees as the only valid way to allow the reestablishment of representative democratic systems as soon as possible.

They condemned the military coup in Haiti and the installation of the de facto regime in that country in September 1991. They urged the culprits to restore the democratically elected authorities to their posts and to observe the OAS decision to mediate in the search for a solution.

The ministers also agreed to conduct joint action to make more effective the international commercial embargo imposed by the OAS against the Haitian regime. They also reiterated their wish to resume relations with Haiti as soon as democratic government is restored.

Defense Council Rules Out Reducing Armed Forces

PA2705022192 Mexico City NOTIMEX in Spanish
1940 GMT 26 May 92

[Text] Guatemala City, 26 May (NOTIMEX)—The Central American Defense Council (Condeca) on 26 May ruled out the possibility of reducing the armies in the region as long as arms trafficking, which threatens regional security, continues.

Guatemalan General Jose Domingo Garcia Samayoa, Condeca President, announced security measures will be taken at the Guatemalan, Salvadoran, Honduran, and Nicaraguan borders to prevent arms trafficking that could endanger democracy in those countries. In a statement to NOTIMEX, Garcia Samayoa said that

Guatemala, El Salvador, and Honduras are studying the implementation of a mechanism to neutralize the "indiscriminate trafficking" of MAG M-60 machine guns, AK-47 and G-3 rifles, Chinese grenade launchers, and mortars. Gen. Garcia Samayoa, also the Guatemalan Defense Minister, said that "we cannot be talking about reductions while the threat of drug and arms trafficking persists."

Military sources told NOTIMEX that approximately 147,000 men comprise the Guatemalan, Salvadoran, Honduran, and Nicaraguan Armies which, according to Garcia Samayoa, are "defensive, and not offensive."

Guatemala has about 45,000 soldiers. Last year, however, instead of reducing the Army, the Defense Ministry mentioned the possibility of increasing that number to 85,000 men. Guatemalan President Jorge Serrano has said that the Guatemalan Army will not be reduced until the internal war is over.

In El Salvador, according to the peace agreements, the government will reduce its Armed Forces by 50 percent within a period of 24 months starting in February of this year. The number of troops will be reduced from 63,175 to a little over 31,000 during that period.

The Honduran Armed Forces, which have 26,000 trained men and are supplied with U.S. weapons, are against a reduction. They argue that it is not possible because of the struggle against drug trafficking, the continuation of the war in Guatemala, and because peace in El Salvador has not yet been consolidated.

Despite the decision announced by Honduran President Rafael Leonardo Callejas and Salvadoran President Alfredo Cristiani that the border dispute will be resolved peacefully, the armies in both countries remain on alert.

Meanwhile, the Sandinist People's Army (EPS) has 21,000 soldiers, less than a quarter of its size when President Violeta de Chamorro took office in April 1990. During the worst years of the Nicaraguan war, the EPS had more than 100,000 men.

A military source told NOTIMEX that UNICEF recommended to Condeca a reduction in the number of soldiers, particularly in Guatemala. However, Garcia Samayoa said the recommendation was for countries where the number of soldiers is higher than what international regulations stipulate.

Despite the severe economic crisis affecting some 12 million people in Central America, the governments are reluctant to reduce their armies and military budgets, arguing that "they need to consolidate regional peace and protect democratic institutions."

Cuba**Castro Attends Africa Day, OAU Anniversary**

*FL2605143392 Havana Radio Progreso Network
in Spanish 1100 GMT 26 May 92*

[Text] Cuban President Fidel Castro attended a reception held last night at the embassy of the Federal Republic of Nigeria in honor of Africa Day and the creation of the Organization of African Unity [OAU]. Our reporter Joaquin Milenez was there and has the details.

[Begin Milenez recording] Cuban President Fidel Castro attended a reception last night at the embassy of the Federal Republic of Nigeria in Cuba in honor of Africa Day and the 29th anniversary of the foundation of the OAU. First thing this morning, it was learned that during his friendly meeting with Y. Alhassan, ambassador from the Federal Republic of Nigeria to Cuba and the United States of Mexico, the commander in chief received personal greetings and thanks from General Ibrahim Babangida, current president of the OAU and the Federal Republic of Nigeria, for his contributions to the African cause.

The creation of the OAU in 1963 was a climatic event. It came as the realization of many efforts aimed at creating a common platform with the objective of harmonizing and expressing African aspirations and plans for full political independence as well as economic progress for its large population. [end recording]

Raul Castro Tours Areas of Camaguey Province

FL2705022192 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 May 92

[Excerpt] The last stop on the minister of the Revolutionary Armed Forces' tour of the provinces comprising the Eastern Army was Camaguey. Since 23 April, more than a month, Raul Castro has crisscrossed valleys and mountains in Granma, Guantanamo, Santiago de Cuba, and Holguin. Las Tunas will be his next visit. Without losing time on formalities, the second secretary of the Communist Party of Cuba [PCC] boarded the small work bus and toured the beltway that surrounds Camaguey. He was meanwhile briefed on the situation in the province by Lazaro Vazquez, first secretary of the PCC in the province. [passage omitted].

FAO Donates \$250,000 for Agriculture Aid

*FL2605143792 Havana Radio Rebelde Network
in Spanish 1155 GMT 26 May 92*

[Text] Cuba has received a large donation from the Food and Agriculture Organization [FAO] of the United Nations as compensation for damages caused by heavy rains at plantain plantations in Havana Province.

The aid agreement gives Cuba \$250,000 for herbicides and fertilizers as urgent aid for more than 1,000 hectares

of the food program in Havana where the FAO is carrying out a technical assistance project worth more than \$100,000 with the goal of developing the automated irrigation of plantains.

During the donation signing ceremony, the minister president of the State Committee for Economic Cooperation, CECE, raised the speed with which the FAO has once again responded to a Cuban request, a gesture that will be highly appreciated by the Cuban authorities and people.

FAO representative to Cuba (Augusto Simoez) expressed satisfaction that the United Nations is giving emergency aid to Cuba and the hope of increasing cooperation.

Commentary Notes Medical Assistance to Nicaragua

*PA2705043992 Havana Radio Havana Cuba
in Spanish 0000 GMT 27 May 92*

[Station commentary]

[Text] The principles of Cuban foreign policy and its motives of solidarity with its Latin American neighbors prompt this country to promote ties with the subcontinent, independent of the logical differences that exist on certain aspects. Nicaragua is no exception. Although bilateral ties ended at the conclusion of the Sandinist mandate, Managua and Havana decided to advance mutually beneficial ties, chiefly in the economic and health fields.

Cuba quickly sent medical brigades and additional health supplies to Nicaragua during the major flooding in that country's northern zone in 1990. More recently, it did the same to care for the victims of the Cerro Negro volcano eruption. A contingent of over 100 doctors and other health personnel are permanently caring for thousands of Nicaraguans in Managua, Masaya, Granada, and Bluefields hospitals, as well as in remote areas where other doctors do not go.

Nicaraguan Health Minister Ernesto Salmeron told THE MIAMI HERALD that his institution needs the Cubans because the country's doctors do not want to work in rural areas where the health situation is delicate and violence some times flares up. Salmeron told the Miami newspaper his government had asked Cuba to increase by fourfold the number of doctors working in Nicaragua because—as he put it—public health in that country deteriorated since the change of mandate in 1990. According to official reports, the health outlook is startling because the country is on the threshold of a cholera epidemic, shows a high index of tuberculosis in the northern region, and registers a high number of measles.

According to Salmeron's remarks, it will be impossible to cope with the problem in the future with Nicaraguan personnel, because close to 40 percent of medical students leave their studies or go abroad upon graduation instead of serving in rural areas. The presence in the country of Cuban-born doctors, who live in the United

States, does not yield the expected results because they do not handle sanitation problems in the most remote regions. The professionals Cuba sends, however, provide medical, scientific, and humanitarian aid free of charge and harmoniously fit in with the people, who show great sensitivity in feeling grateful for the results of this effort.

Ties Begin With St. Vincent and the Grenadines

FL2705005292 Havana Cuba Vision Network
in Spanish 2220 GMT 26 May 92

[Text] Cuban Foreign Minister Isidoro Malmierca and St. Vincent and the Grenadines Trade and Tourism Minister Herbert Young today signed an agreement for the establishment of diplomatic relations between the two countries. The document was signed at the headquarters of the Ministry of Foreign Relations and reflects the desire of the two governments to develop friendship and collaboration ties based on the principle of mutual respect. During the ceremony, the diplomatic corps were presented to the visitor.

St. Vincent and the Grenadines is a former British colony in the eastern Caribbean with approximately 90,000 inhabitants.

Arab Enterprise Committee Formed in Havana

PA2405145492 Havana Radio Havana Cuba
in Spanish 0100 GMT 23 May 92

[Report by Marienela Samper]

[Excerpt] The final note of the first meeting of American and Arab businessmen was provided by an evening during which cultural roots linked all the participants with a feeling of brotherhood, an evening that marked the conclusion of four days of meetings in Havana sponsored by the Chamber of Commerce of Cuba and the Arab Union.

Local and foreign businessmen did not overlook this opportunity to secure closer relations and to open doors to the possibility of establishing new mutually beneficial business relationships.

Speaking at the headquarters of the Cuban Institute of Friendship with the People, Kales Salama, president of the Federation of Arab-American Enterprises, recalled that the organization he heads represents those who came from the Middle East to this continent and settled here and offered their share of love, work, and experience.

Salama said that the fact that this first meeting has taken place in Cuba has special significance because this island is an example of dignity and because it is one of the countries that has expressed the most solidarity with the Arab cause.

Salama noted that this meeting was of special social importance for the underdeveloped countries and that the participants demonstrated that they do not accept

political or ideological impositions that put limits on their commercial activities or on their feelings of sympathy for those who have always backed the Arab people.

[Begin Salama recording] We have come here for trade and equality, on the basis of common interests, and to state our solidarity with Cuba, a friend of the Arab people, at this moment when there is a tightening of an unjust and inhuman blockade that not only affects Cuba but also Arab countries like Iraq and Libya and that in the future could also affect other Arab countries.

This blockade, which violates human rights and international law—because it works against the people: children, women, and the elderly—is an aggression against human rights. I repeat, because it impedes the satisfaction of essential needs such as food and medicine. [end recording]

The Arab-American businessmen came to Cuba to place the keystone for future meetings and to guarantee that they will continue. This is why, at the closing meeting, the participants created the Cuban-Arab Enterprise Committee [Comite Empresarial Cubano-Arabe].

Porfirio Mederos, vice president of the Cuban Chamber of Commerce, summarizes what happened in the past few days:

[Begin Mederos recording] The Cuban-Arab meeting has been very positive because, despite the fact that harmonizing our interests with the interests of people from so far away was a very complex endeavor, there is no doubt that during the meeting, the interests of the parties involved were brought closer. It has also been made evident that it is possible to coordinate important trade agreements in almost all the spheres.

Undoubtedly this has been an initial work phase, during which we have found areas of interest and have set commercial talks in motion. We also discussed specific interests and Cuban and Arab enterprises have reached agreements to develop future commercial contracts. [end recording] [passage omitted]

Prosecutor Interview on Dissidents Trial

PA2205153492 Havana Radio Havana Cuba
in Spanish 0000 GMT 22 May 92

[Interview with Prosecutor Dr. Jose Bodes by correspondent Barbara Bethancourt in Havana on 21 May—recorded]

[Text] [Bethancourt] First we would like to ask you what crimes were proven in the trial of the two counterrevolutionaries? Why were the petitions of the prosecution that were raised this time different from those raised in other trials against members of other small counterrevolutionary groups?

[Bodes] Actually, on this occasion we have labeled these crimes as crimes of rebellion. This is when illegal means

are used to topple or change the established system of government or to violate the constitution or the state institutions.

[Bethancourt] Did Harmony Movement [MAR] have any previous record? Did it express itself in any manner before you reached the decision to bring some of its members to court?

[Bodes] Of course. The movement first appeared in the second half of 1990; it was created mainly by Rolando Restano Diaz, also known as Indamiro. It began by recruiting supporters, even without having been legalized; it was never legalized. In July 1991, the state security organization warned it. I was there, and we talked to Restano about the danger of the group's actions. We said the group might be charged with a crime. At the time, he seemed to be conscientious, and I thought he would begin doing things legally. However, he did not do so. Therefore, in November 1991 the City of Havana Prosecutor's Office again summoned him and warned him that he might be committing a crime. Again, he said the same thing. After this, he continued with all of his plans; his organizations; and his activities, all of which were illegal.

[Bethancourt] In your first answer, you told me the crime for which he was being tried—at least, on what you were basing your allegation—was the crime of rebellion. Did this organization have some sort of structure different from the others, say the human rights committees, or any other small groups that have surfaced recently?

[Bodes] This movement is very different. It is not a movement or group that claims to defend human rights. It has said it is a political opposition group that opposes the entire social and democratic system, even though its members call themselves social democrats. Actually, it is a dangerous organization because it is formed by two groups: a public group and a secret, clandestine group. The members even call their secret group the Spider [Arana], which has a system of [word indistinct]; it is clandestine in the manner of terrorist organizations. The main leaders even held a secret meeting at the (?cemetery) to create a clandestine leadership committee, an emergency committee entrusted with going underground if Restano Diaz were to be arrested. They were to carry out their actions in a clandestine manner.

[Bethancourt] Could this have led to violent actions or a confrontation, or could it have created a situation of repression?

[Bodes] They said this was a pacifist organization. Nonetheless, the clandestine structure contradicts what they call pacifist. However, during the investigations, some members of this group—who were brought to the trial—said the group had discussed that at a given moment and as a result of the actions by the group itself seeking the destabilization of the government and country, they would have to take more violent actions. Such actions would call for attacking the police, carrying out sabotage actions, and setting gasoline stations on fire. In other

words, they would carry out more serious actions. Those would be the future actions and activities this organization would carry out.

The top leader of this organization had close ties to the foreign press and Miami-based radio stations. He regularly made very strong statements. He also kept very close and friendly ties with the U.S. Section Interests Office in Havana; this was evident during his trial. Diaz claims that as MAR president, he visited Mr. Evans, who was also his personal friend.

[Bethancourt] What is the main difference between what was proven during the trial of the MAR members and the trial of other Cuban citizens who have been involved in similar groups?

[Bodes] I would say that in the first place, this subversive, clandestine organization is very characteristic of organizations that operate totally underground. I believe this is the difference.

[Bethancourt] Are they more dangerous?

[Bodes] Evidently, yes. They represent much more danger to the stability of the nation, because at any time those groups might go underground and create an unstable situation. Under the current circumstances, when the U.S. Government is preparing for a supposed humanitarian intervention in the event of an alleged civil war in the country, we have the inescapable obligation to prevent such actions from happening and we must stop them in time.

[Bethancourt] We thank Prosecutor Bodes for the explanations he has given to the listeners of Radio Havana Cuba.

Reduced Electric Consumption Noted in Provinces

*FL2605020492 Havana Tele Rebelde Network and Cuba Vision Networks in Spanish 0000 GMT
26 May 92*

[Text] In accordance with fuel supply availability, the Electric Union has reported that electric consumption quotas for each province during June will not be much different than the May's quotas.

Approximately 7,500 tons of fuel a day are required to meet present national energy consumption levels because more than 90 percent of the electricity generated in Cuba is produced with oil. According to this information, the national energy consumption plan has been met by 99.6 percent so far this month. The provinces of Pinar del Rio, Havana, Cienfuegos, Sancti Spiritus, Camaguey, Ciego de Avila, Holguin, Granma, and the special municipality of the Isle of Youth have been complying with the plan while the rest of the provinces are making noticeable reductions in consumption to adjust to the quotas established for May.

On the other hand, state sector consumption dropped 21.6 percent from January to April in relation to the

same period the previous year, although not everything can be considered the result of conservation. Likewise, the Electric Union acknowledged that the residential sector consumed 9.3 percent less energy during those same four months despite the fact that this sector has, on average, no fewer than eight electric appliances per household in the more than 2.4 million homes that receive electricity.

Sugar Complex Reaches Goals Despite Difficulties

*FL2605225592 Havana Radio Reloj Network
in Spanish 1947 GMT 26 May 92*

[Text] In the next few hours, the Dos Rios Agricultural Industrial Complex in Palma Soriano Municipality will become the sixth enterprise in Santiago de Cuba Province to fulfill its sugar production plan. The effort being conducted is extraordinary because, although it has not rained in the last three days, the soil is still wet and the roads are in bad condition because of the rain that fell for most of the month, which makes the work of the men and machinery more difficult.

To date, the Salvador Rosales, America Libre, Paquito Rosales, and Chile complexes have fulfilled their current harvest commitments. The Mella, Los Reynaldos, and Rafael Reyes complexes still have to reach this point. The sugar refineries that have met their goals are working to exceed their production plan in order to support the province, and as soon as the province meets its goals all the workers will focus their efforts on planting and growing tasks for the next campaign.

Sugarcane Planting Still in 'State of Emergency'

*FL2305005792 Havana Radio Rebelde Network
in Spanish 2300 GMT 22 May 92*

[Text] Reports on field preparation and sugarcane planting are disturbing. Remember, we reported that we would have to plant 300 caballerias every day to complete the 10,000 caballerias which still need to be planted as part of the spring sugarcane plan by 30 June. It is being reported that only 81 caballerias were planted yesterday. If this pace continues, we are really not going to be able to make the goal and we have said, we have explained here what not being able to plant the areas included in the spring, and also wintertime planting, would mean to the sugar industry.

The provinces most advanced in the planting are, well, those that have the most planted—not those that are the most advanced, everyone is behind—are: Holguin has planted 14 caballerias; Granma has planted 13; Camaguey has planted 14; and Cienfuegos has planted 13. The preparation of land is also behind. Why? So that you have an idea, there are 4,162 caballerias that have been prepared and planted. Nevertheless, only 3,920 caballerias have been planted. It is going very slowly.

We wanted to report on the results every two days but the results we have received from the ministry worries

us, just as the comrades of the different sugar refineries must be worried; but this needs to be resolved. We need to mobilize all the necessary people so that the sugarcane for the next harvest is planted.

Consequently, this situation is in a state of emergency; the spring planting of sugarcane and the preparation of land for sugarcane is still in a state of emergency.

Mobilized Workers Join Las Tunas Sugar Harvest

*FL2205214392 Havana Radio Reloj Network
in Spanish 1934 GMT 22 May 92*

[Text] More than 1,000 workers from the city of Las Tunas have joined sugarcane cutting efforts at the Amancio Rodriguez and Colombia Agricultural-Industrial Complexes.

This increases the number of workers supporting the final lap of the sugarcane harvest to more than 13,000. The largest number of mobilized workers belong to the construction sector, 800 workers, who are cutting sugarcane for the Amancio Rodriguez Refinery. The rest of the work force, comprised of approximately 200 workers, belong to the education, public administration, and health unions sectors; these workers are cutting cane in the place known as La Gia in Colombia. The efforts of the mobilized workers in Las Tunas is aimed at recovering the sugar production programs of certain refineries in the province and also to guarantee the sugarcane for the next harvest.

Mincom Inaugurates Telephone Communications Plant

*FL2505142392 Havana Tele Rebelde and Cuba Vision
Networks in Spanish 0000 GMT 25 May 92*

[Excerpt] CATEL [expansion unknown] is one of the most outstanding companies in the world of telecommunications. This company and a Cuban Intertel group have inaugurated a modern plant with national and international telephone service facilities.

[Begin recording] [Unidentified correspondent] The plant is totally automated; the first plant in the country to have digital equipment. It has 5,000 telephone lines and connections with satellite communication centers in Vedado, Buena Vista, Aguila, Cubanacan, and the Ministry of Communications [Mincom]. This plant guarantees land communications through the use of fiber optic cables.

Communications Minister Comrade Manuel Castillo Rebas and CATEL Vice President Mr. (Rene Guflet) attended the official opening of the plant. [passage omitted] [end recording]

Dominica

Decision on Haiti 'Unfortunate,' 'Understandable'

FL2605235992 Bridgetown CANA in English
2146 GMT 26 May 92

[Text] Roseau, Dominica, May 26, CANA—Dominica's Affairs Minister Brian Alleyne, has described the U.S. Government's decision to turn back Haiti's fleeing boat people on the high seas as "unfortunate but understandable."

The U.S. move was announced over the weekend by President George Bush, who said this was necessary because the U.S. Naval Base at Cuba's Guantanamo Bay was overflowing with Haitian refugees and could not accommodate any more. This came at a time when the Organisation of American States [OAS] is trying to get ousted Haitian President Jean-Bertrand Aristide reinstated.

Alleyne said that until the political crisis in Haiti is resolved to pave the way for economic development there, the departure of refugees, both economic and political, will continue.

"It's a very serious humanitarian problem which really doesn't have a solution except the solution of the more fundamental problem of Haiti," he said. He believes that urgent attention towards resolving Haiti's political situation is necessary, and admitted that the Organisation of American States-imposed embargo slapped on Haiti following last September's military ouster of President Jean-Bertrand Aristide, appeared to have been less than effective.

But Alleyne said that decisions taken at the just-concluded OAS meeting in the Bahamas which he attended may assist in a more meaningful enforcement of the embargo.

The meeting agreed "to monitor the movement of ships into and out of Haiti, and in the case of breaches of the embargo, to prevent those ships from using ports within the OAS system," Alleyne said.

Dominican Republic

U.S. Demand for Acceptance of Haitians Viewed

FL2605210892 Santo Domingo Radio-Television
Dominicana Radio Network in Spanish 1600 GMT
26 May 92

[Station editorial entitled "An Incongruent Demand"]

[Text] Ironically, the authorities in Washington have sustained a constant demand that our national government graciously accept thousands of fleeing Haitians. In the U.S. Government's demands, it is unfortunately obvious that there is a lack of knowledge of the Dominican social reality. As a matter of fact, our country, slowly but gradually developing, has had to oppose a

detrimental flow of mass immigration which two years ago forced an extreme course of action.

It is curious that now, while the country is dealing with serious economic difficulties and has a multimillion dollar public debt and reduced markets, the country should also assume the additional heavy burden of an uneducated foreign presence, of thousands of unskilled people without resources who cannot contribute any assets to the collective good.

Due to its limitations, extreme poverty, and the absence of a sensible leadership class, Haiti undoubtedly needs the world's solidarity. The international community demands, on behalf of social justice and ecumenical consciousness, a reprioritization so a better path can be devised for the Haitian nation.

Yes, but not by transferring the burden in an irresponsible, capricious, or willful manner. The U.S. Government's demands for the Dominican Republic to welcome, purely and simply, the impoverished children of Haiti, who are fleeing their own unfortunate country, is a contradiction, an absurd formula which the current constitutional government should emphatically reject. We do not have to be, we should not become the sacrificial lamb for the sins of others. The country has enough to do in dealing with its own serious, grave, difficult problems.

There are many countries in our vast America with sufficient geographical space and sparse population to assume the transferred burden of the Haitian condition. The U.S. aspiration is an incongruent demand.

Haiti

Executive Signs Amended Tripartite Agreement

FL2605221592 Port-au-Prince Radio Metropole
in French 2000 GMT 26 May 92

[Text] The tripartite agreement of the provisional government, parliament, and the Army has been signed by Provisional President Joseph Nerette and Prime Minister Jean-Jacques Honorat. This law, already ratified by the two chambers of parliament, will soon be published in the official newspaper of the Republic, LE MONITEUR.

The law specifies that the provisional president resign from office as soon as a consensus government is appointed, and that the vacuum created by the resignation of the provisional president will not be filled until a definitive, comprehensive solution is found to the crisis. These provisions, not included in the original agreement which had only mentioned an "appropriate moment" for the resignation of the provisional president, have been added by parliamentarians at the suggestion of the socialist parliamentary bloc.

The tripartite agreement provides for the formation of a consensus government, for public protection during the

process of consolidation of democracy in finding a solution to the crisis, which is acceptable to all parties, and which will end the diplomatic isolation of the country and force the removal of the OAS embargo.

Ministry Issues Communique on Murders, Weapons

FL2705132592 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 May 92

[Press releases issued respectively by the Ministry of Interior and National Defense and the Haitian Armed Forces General Headquarters in Port-au-Prince; dates not given]

[Text] The Ministry of Interior and National Defense accuses several Haitian politicians of involvement in the murders of two soldiers and one civilian over the past weekend.

According to a communique issued by the ministry, these acts were committed at a time when the top officials of the country are trying to extricate Haiti from its current crisis. The ministry says several politicians have chosen precisely this moment to create disorder in the country in order to spoil all the good work that the provisional government and the Army have already performed so peace can return to everyone's minds.

The ministry does not wish for these acts to continue and announces that it has ordered Army officials to take all steps to guarantee the safety of the people so they can continue to attend to their business without any problems. In light of this, the Army General Headquarters advises all those who have permits to carry weapons that these authorizations have been suspended until further notice.

These two press releases are in reaction to the murders of two soldiers and one civilian in the evening of 23 May in Port-au-Prince. The people who were killed are Corporal Augustin Sylvert and his cousin who were shot to death by a group of armed men near their homes in Cite Militaire. Alexis Vicaire, the other soldier was killed by a second group of armed men while he was returning to his home in Rue Mail'art, in the Rue Saint-Martin neighborhood. According to a note from the Army General Headquarters, both groups were dressed in olive green clothing. The note further says that these acts are aimed at sowing division between the Army and the people. However, the Army will ignore these provocations, according to the officials of this institution who urged the people to continue to believe in the military institution whose mission is to defend the interests of the whole country.

Further on Cedras Response to Statements on Army

FL2605185792 Port-au-Prince Radio Nationale in French 1100 GMT 26 May 92

[Interview with General Raoul Cedras, commander in chief of the Haitian Armed Forces, by an unidentified

Radio Soleil correspondent, in his office in Port-au-Prince, on 25 May 1992—recorded]

[Excerpts] General Raoul Cedras gave an interview to Radio Soleil in reaction to the statements made on that radio by some individuals who pretended to be military. The interview covered the matter of those men who wanted people to take them for soldiers. Let us listen.

[Unidentified announcer] Concerning a number of individuals who made a statement on Radio Soleil and who wanted to be taken for soldiers, Haitian Armed Forces [FADH] Lieutenant General Raoul Cedras received a Radio Soleil correspondent who interviewed him in his office at noon [25 May]. On that occasion, Radio Nationale was on the spot only to record. Lt. Gen. Raoul Cedras responded to questions as follows:

[Begin recording in Creole] [Cedras] The first thing I can tell you is that I heard the cassette when Radio Soleil played it this morning. I have picked out several points which it covers. The first thing I can tell you is that the person who made the statement is not a member of the Army. [passage omitted]

I prefer to confine myself to what I heard on Radio Soleil. Many things have been said. But as for me, I am sure of one thing: I had many doubts about the person who made the statement. I had many doubts as to his Army service even before research was done, because I do not believe that in the current situation, and given the way the Army is, a man, a soldier, could go to a radio or a television station and make such statements. Automatically, he has proved something. Even though he is supposedly a soldier who has given a false name, he has proved that he is not at all disciplined. He has also proved that he does not even understand what happened in the country on 30 September and thereafter. He does not even understand the Army's role, neither does he understand what we want to do with the Army and what role we want the Army to play in Haiti.

Things have been said. I have heard them and they surprise me a lot. For instance, in his statement, the man said that they [soldiers] did not want Bazin to become the Army commander. Well, I will tell this man I am sorry for him. The Army has a commander. There is not anybody, neither is there any president or prime minister, who will ever command the Army again as it used to be done in the past, as the latest government was trying to do. The Army will play its role in accordance with the provisions of the Constitution. It has a commander, it has its hierarchy, and this is how the Army must go.

Second, he spoke of.... [pauses] several names were mentioned. He spoke of Bazin, President Nerette, President Manigat. Personally, I can make a statement on that matter and I do not believe that the Army has a different position: The Army is not attached to the name of anybody. We know only one thing: Haiti. As to me, I am not attached to the name of anybody no matter

whether he is called Mr. Bazin, President Nerette, President Aristide, or President Manigat. The person's name is not what interests me. What interests me is that we are in a country where there are a lot of problems such as extreme poverty and illiteracy. These are what all people should care about now. All Haitians must get together to see how we will get out of our present situation.

[Unidentified Radio Soleil reporter] Gen. Cedras, it has been said that during meetings reportedly held at the National Palace by the military, members of the General Staff have allegedly asked them to approve Bazin (?as prime minister). It even reported that they [not further identified] have denounced the provisional president as somebody who is taking steps toward this goal. Do you reject all these accusations?

[Cedras] I do not believe these are accusations. These are just things that somebody has said. He goes to a radio station and says this, but as I told you, and I am repeating it: The Army, as well as myself, is not attached to any name. Personally, I believe it is a danger in Haiti (?because) every time a group of people or an institution is attached to some name, that always results in problems. It is time to put an end to that. We need people who can make Haiti move forward. It is no longer a question of being attached to someone's name and I hope that practice never comes back because it always results in problems.

[Reporter] General, has the Army not proposed any name or any solution to put an end to the current crisis?

[Cedras] It has never been a cause for concern to the Army nor will it ever be a cause for concern to say that we want such and such person. That does not concern the Army. As he said in the cassette that I heard on Radio Soleil, the Army should not be involved in politics. Well, we are not involved in politics. We are there to go along with a process so as to see how we will get out of the crisis, but the Army has never tried to exert pressure for anybody. The person who made the statement asks that the Army not be political. I am wondering whether he was not getting into politics by giving his opinion on the radio.

[Reporter] Gen. Cedras, is the Army faced with a problem between the hierarchy and the grassroots? That is, do the grassroots not respect the hierarchy; or is there division within the Army, between the grassroots and the Army command at this time?

[Cedras] I would prefer to let you answer this question because the events happened eight months ago and so far the Army remains united. I am taking the opportunity to tell you that since last week many people, many sectors, have been working to create problems for the Army. What concerns them is the precise fact that the Army remains united. Thus, this is what they do not like, this is what they want to stop. You see, they have been carrying out acts against soldiers for several days. They are then trying to provoke a reaction from the Army and against the people. They are trying, as well, to provoke a

problem within the Army. But our motto is unity because we believe it is only with unity, not only in the Army but also in the country, that this country will succeed in moving forward.

[Reporter] Gen. Cedras, two soldiers from the 47th Company, the heavy equipment company, died over the weekend. They were shot by armed men and their corpses were left near their homes. Does the head of the Army not have a position on that score or has the Army attributed this action to some sector?

[Cedras] Well, a press release will be issued today on that score. We are leading our investigation. We have given specific instructions to the members of the Army so they can know what to do in view of such cases. The press release will be published and I suppose that you will have it this afternoon.

[Reporter] How do you interpret these actions?

[Cedras] Well, they fall into line with what I am telling you: they want to provoke the Army and to see how it will react so they can then make everybody rise up against it, as they have been trying to do so vainly for eight months. Additionally, they would like there to be a problem within the Army.

[Reporter] Gen. Raoul Cedras, what is your position in relation to these individuals who made statements on behalf of the Haitian Army?

[Cedras] Well, according to all that I have said here, I have given my position. The names of those persons are not on the Army records. I told you that I believed, and that I was essentially certain, that those people are not members of the Army because I cannot imagine any soldier would make such statements at this time, when the Army is so united. Besides, I do not know whether you noticed it, but the statements were muddled. He spoke of many things at the same time, he mixed them up, thus he mostly looked like somebody who was reciting a lesson that he did not learn well; one that a given political sector had told him to recite. Thus, if he is a soldier, he is not a good soldier. Personally, I do not think he is a soldier because these things do not at all reflect the idea that I have in my mind concerning soldiers in the country.

[Reporter] Gen. Cedras, it is rumored that the strength of the Army has increased by over 15,000 men during [pauses] since 30 September 1991. Can you confirm this?

[Cedras] Well, once you are speaking of the strength of the Army, you fall into what is called a state secret. I cannot make a statement on that.

[Reporter] You cannot make a statement on the Army either increasing or decreasing?

[Cedras] No. You must understand that the fact that I am the Army chief does not entitle me to do all I want in the Army. I am also bound to obey the principles of the Army. I cannot make statements on that.

[Reporter] It is said that many people, many former macoutes, many former torturers used as military auxiliaries [anpil ansyen atache] have been reintegrated into the Army, into the Anti-Gang Service. Can you make any statement on that?

[Cedras] If this is what you meant, I will tell you straightforwardly that it is not true. It has always been like that. It is the same old propaganda that is used every time people want to cause problems or to degrade the Army on the international level. I say it is not true. If this is what you were asking, I tell you it is not true.

[Reporter] Gen. Cedras, what is the biggest problem the Army is faced with now?

[Cedras] Well, I believe that an institution which is in a country has the same problem as the country. This means that just as the country has many problems, the Army has many problems as well. I will, however, point out that, nevertheless, the Army remains a very worthwhile institution although it is criticized, in spite of all that is being said about it, such as for example, what you just said regarding torturers used as military auxiliaries. It has always been like that, but I believe that the Army has the same problems as the country. This means it is an Army that has very restricted resources. There is not... [pauses] we do not have enough equipment and so on, but yet we have held out and we will continue to hold out because the Army will not give up and because this country will break up if we give up.

[Reporter] If you had a word to say to the nation, especially to the Army, what would it be, Gen. Cedras?

[Cedras] Well, the word I could say to the nation is that everybody must understand that this Army that we have, and the Army that is at the head [words indistinct] is the country's Army and that when the Army takes a stand, it is not to take care of its own business, but to protect the country. I want everybody to understand that there are men in the Army, that there are Haitian citizens in the Army, who are also suffering for the country's problems and who have sacrificed so a change, a real change can come to the country, so everybody can live well in Haiti. [end recording]

Further on Protests in Cap-Haitian, Les Cayes

FL2605225392 Port-au-Prince Radio Metropole
in French 1600 GMT 26 May 92

[Text] There was unrest at the Lycee Philippe Guerrier in Cap-Haitian today, according to correspondent Ronald Jean.

[Begin recording] [Jean] Violent scenes took place this morning at the Lycee Philippe Guerrier where hundreds of students, all classes mixed, to general surprise, disrupted the recess court. Furniture was violently destroyed, important documents were torn out and spread about in the recess court. Results of this black morning at the Lycee Philippe Guerrier in Cap-Haitian included an attack on a monitor, and the destruction of doors and windows. It is the first time during this period of unrest at the lycee that we witnessed this kind of damage, a teacher stated. The lycee is facing all sorts of difficulties these days. There are more than 150 students in rooms designed for 50. Teachers who were hired last November have not yet received their salaries. We are losing control of the situation, he added. This incident was in reaction to the communique from the Ministry of National Education regarding the temporary closing of the lycees in Haiti. [end recording]

[Announcer] There was also unrest in the Lycee of Les Cayes.

[Begin recording] [Cayes correspondent Duperval Ronald] The decision by the Ministry of National Education to suspend courses in all lycees in the metropolitan area raised a protest within some classes in the Lycee Philippe Guerrier [as heard] in les Cayes. The students consider it an unfair decision in view of the circumstances and the time at which the school year started. The students say that the ministry should reconsider this decision to allow the students to cover the material in a time period already too short.

Residents living near the entrance of Les Cayes were frightened during the night of Monday to Tuesday 26 May, because of automatic gunfire heard in the area. We were unable to learn the reasons for those gunshots. [end recording]

President Comments on Productivity Agreement

PA2705002992 Mexico City Canal 13 Television Network in Spanish 1300 GMT 26 May 92

[Report by Roberto Gardono Espinoza; passages within quotation marks are recorded]

[Text] The national agreement for productivity is not just a call for new technology; it must also serve as a mechanism for securing justice. In sanctioning the national agreement to increase productivity, President Carlos Salinas said that it was the result of dialogue, respect, and participation from the country's productive sectors.

[Salinas] "This agreement views productivity in a broad and integrated way. Productivity is not just the incorporation of new technology or new managerial methods. The agreement acknowledges those things, but it also includes such aspects as education, utilization of resources, and the participation of workers."

During the ceremony, which took place in the Adolfo Lopez Mateo Room of the Los Pinos official residence, the Mexican president said that the country's economy is progressing on all fronts, evidenced by the fact that for the fourth year in a row, economic growth will be higher than population growth.

For sustained growth, the president said, it is necessary to guarantee Mexico's ability to compete in the domestic and international market. That is why the productivity agreement has been signed.

[Salinas] "This agreement is intended to be both a general framework for productivity in each sector and enterprise, as well as a basis for more specific agreements. The idea is not, of course, to meet the very diverse demands of every industry and enterprise."

"That will be achieved through specific agreements in each enterprise."

Addressing his economic cabinet and representatives of the peasant, labor, business, enterprise, and public employees sectors, the president said that if salaries are increased without consideration for productivity, sources of employment would be endangered.

[Salinas] "Productivity increases must result in well-being and a better standard of living for workers. For that reason, this agreement promotes well-being in a fair way."

Throughout his message, the president emphasized that the management of the economy must be efficient, but not at the cost of social justice. The idea, he said, is to better distribute the fruits of productivity.

[Salinas] "All the workers' achievements remain. There is not and there cannot be any contradiction between labor rights and the increased production that our production sector must achieve to fulfill its commitment to Mexico."

The president said that patriotism makes Mexicans understand that personal interests are subordinate to higher interests: those of Mexico as a nation.

Foreign Secretary on Agreement Signed With EC

PA2605194192 Mexico City Canal 13 Television Network in Spanish 1300 GMT 26 May 92

[Text] Mexican Foreign Minister Fernando Solana Morales said on 25 May that the General Agreement on Tariffs and Trade's [GATT] success is essential to the future of politics and trade. This is why Mexico's signing of an agriculture agreement with the European Community [EC] is a firm step toward final agreement at the Uruguay Round GATT, Solana Morales said.

Despite regional integration, the threat of trade war among nations persists. Because of this threat it is essential to save the multilateral trade system contained in the GATT.

[Begin Solana Morales recording] This agreement opens the door for a final solution of the Uruguay Round GATT; it is basic not only to the future of world trade but also its political future. [end recording]

Fernando Solana spoke at the inauguration of the Law and Economy of Integration Seminar, based on the European experience. Solana Morales said that integration has made Europe the nucleus of world change. Meanwhile, Latin America—led by Mexico—is revising its growth patterns, with competition and open markets to increase its trade and exports to Europe. Between 1985 and 1990, trade and exports to the EC had decreased from 6.2 percent to 4.9.

[Begin Solana Morales recording] Our primary concern is that current geopolitical and economic changes lead to a new era of intercontinental relations that is much more balanced, smooth, and diverse than has been the case in the past. [end recording]

At the conclusion of the event Solana Morales said that before the end of the month, a U.S.-Mexico meeting will take place in Washington to discuss border violence.

Government Creates Social Development Secretariat

PA2505155592 Mexico City Canal 13 Television Network in Spanish 1300 GMT 25 May 92

[Report by Jorge Tenorio Jimenez]

[Text] The decree whereby the creation of the new Social Development Secretariat is made official was published in the 25 May edition of the federal state's official newspaper.

In accordance with the established reforms, additions, and abolitions, the new secretariat must fulfill a series of functions, among them to evaluate, direct, and formulate social development policies, especially those governing

human settlements. The new secretariat must also prepare the regional and special programs pointed out by the federal executive, taking into consideration the proposals presented by federal, state, and municipal institutions.

The Social Development Secretariat will also be responsible for authorizing, in coordination with the Finance Secretariat, activities and investments within the framework of regional planning. Among other duties, the secretariat will coordinate the creation and support of businesses comprised by peasants and popular groups in urban areas.

In the field of ecology, the secretariat will formulate and direct the general policy of environmental protection in coordination with the Health Secretariat. It has also been

announced that the new secretariat will preside over the National Indian Institute board of directors.

New Secretary Appointed

*PA2605202292 Mexico City Canal 13 Television
Network in Spanish 1300 GMT 26 May 92*

[Text] President Carlos Salinas de Gortari has appointed Luis Donaldo Colosio as new Social Development secretary. As of 26 May, this new secretariat will officially begin operations. The Social Development Secretariat's task will be, among others, to analyze human settlement, regional and urban development, housing, and ecology. The Urban Development and Ecology Secretariat has been eliminated and its duties will be taken over by the new secretariat, which will work jointly with the federal, state, and municipal governments.

El Salvador**Deputy Minister Protests FMLN Accusations**

PA2405002492 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 23 May 92

[Text] San Salvador—Deputy Defense Minister Juan Orlando Zepeda, a member of the National Commission for the Consolidation of Peace, filed a protest before the UN Observers for El Salvador, ONUSAL, over accusations recently made by Commander Gerson Martinez, political representative of the Farabundo Marti National Liberation Front [FMLN].

The note sent to ONUSAL Chief Iqbal Riza rejects the accusations made by Martinez and also warns about the risks involved in the politicization of incidents such as the one experienced by an FMLN member and other incidents experienced by some Army members.

Zepeda adds that the peace process is irreversible and that no act of provocation will throw it off course. Finally he called on the FMLN to stop creating obstacles that could lead to big mistakes.

ONUSAL To Remain Three More Months

PA2405181892 San Salvador Canal Doce Television
in Spanish 0300 GMT 23 May 92

[Text] It was reported on 22 May at the United Nations that the 290 military personnel that form part of ONUSAL [UN Observers for El Salvador] will continue their duties until 1 September and their number will not be reduced in June as originally planned.

The UN Security Council approved the request of Secretary General Butrus Ghali so that the 39 military observers of ONUSAL, who were supposed to leave on 1 June, will remain in El Salvador for three more months.

This measure was adopted because the ONUSAL military division will soon have to oversee new activities included in the peace agreements.

Commentary Foresees Deterioration in Compliance

PA2705033092 San Salvador Radio Farabundo
Marti Network in Spanish 1200 GMT 25 May 92

[Station commentary]

[Text] The execution of a political attack now undoubtedly constitutes for the government more than a problem of public contradictions among its spokesmen. With the attempt to murder Vladimir Flores of the Farabundo Marti National Liberation Front [FMLN], the Interior Ministry again said the perpetrators belong to minor groups determined to hamper the normal peace process. On that same day, General Rene Emilio Ponce, Vice President Francisco Merino, and other officials said it was just a case of common crime, and some even attributed it to dissident FMLN groups. As we can see, a

can of worms has been opened inside the government, not regarding what to say, but rather what methods to use to face a political force; namely, the newly created FMLN party, which is hitting the traditional power structures where it hurts. We Salvadorans identify two strong currents in the government: One wants to abide by the peace agreements in its own way, the other is openly boycotting them. The most dangerous situation for the country would be if the boycotting faction became more actively involved in complying with the agreements. It was no surprise that Commander Jorge Shafik Handal announced on 24 May at the Salvador del Mundo Square that the government has not advanced a single millimeter to comply with its commitment to eliminate the National Guard and the Treasury Police on 31 May, let alone other major agreements for the country.

That means the government has opened the door to social and political confrontation, which is why one can predict this week a deterioration in the situation that has arisen at the National Commission for the Consolidation of Peace and the Forum for Economic and Social Consensus and diminishing possibilities for implementing agreements such as those on the National Civilian Police, the commission to purge the Armed Forces, the land commission, and others. The reality is that the FMLN party is already on the move and will not demobilize the first 20 percent of its forces as long as the political, economic, and social commitments to resolve the causes of the war are not kept.

ANEP on Conditions To Participate in Forum

PA2605191092 San Salvador Canal Doce Television
in Spanish 0300 GMT 26 May 92

[Text] Juan Hector Vidal, executive director of the National Association of Private Enterprise, ANEP, said on 25 April that businessmen are reluctant to participate in the Forum for Economic and Social Consensus with the government and workers because of the lack of harmony and respect for private property.

During an interview for the "Good Morning" program, Vidal said that as long as labor instability and disrespect for private property continues, ANEP will not alter its decision but in fact firmly maintain its position.

Vidal also denied statements by labor representatives and FMLN [Farabundo Marti National Liberation Front] leaders that only a small group in ANEP is opposed to participating in the forum. He added that the decision was made by the 36 business organizations comprising ANEP.

[Begin Vidal recording] We want to act with complete member support. Some groups have said that only a minority in ANEP is opposed. I must repeat that ANEP's General Assembly, comprised of 36 organizations—we are talking about more than 300 businessmen—made that decision. Any efforts to create a favorable climate are welcome. [end recording]

Vidal said that ANEP is constantly analyzing the country's situation to determine the likelihood of changing its stance regarding participation in the forum, adding that if conditions are favorable, ANEP is willing to participate.

[Begin Vidal recording] Some labor leaders still insist that the [word indistinct] problem still exists. There are other concerns affecting our decision, which was arrived at after carefully studying the factors that made us adopt this position initially, on 26 February. I must add that we are aware of our historical responsibility, not only in this forum, but in the process of peace, development, and consolidation of democracy. We are constantly reassessing this decision. We are willing to change our position if circumstances change. We are not inflexible. [end recording]

Vidal said that a fundamental aspect of ANEP's participation in the forum is the suspension of the illegal land occupation, and a return to normalcy, such as that which existed prior to the signing of the peace agreements.

Public Security Academy Scheduled To Open 1 Jun

PA2305232692 San Salvador Canal Doce Television
in Spanish 0300 GMT 23 May 92

[Text] A National Public Security Academy [Academia Nacional de Seguridad Publica] is scheduled to open on 1 June, director Jose Mario Bolanos said on 23 May. He added that there are \$1 million available for this project.

Bolanos and Academic Council members reported that on 21 May preparations for the council and a study of the availability of resources began. The new academy should open in about 30 days. An advertisement campaign has already been launched. Applications will be distributed to interested persons at the governors' offices in San Miguel, Santa Ana, and San Salvador departments. Physical and medical examinations, as well as cultural and technical tests, will follow. The academy will initially operate at the old Cetipol [Police Instruction Center] building, which is also the Bracamonte Battalion headquarters. The first batch of students is expected to meet the most urgent needs.

[Begin Bolanos recording] Initially, we can rely on \$1 million, which will be donated by the Spanish Government. A team of Spanish, U.S., and Salvadoran experts has determined that \$42 million would be required for the first two years of operation, which we describe as temporary. [end recording]

The trainees, who will receive 800 colones monthly, must meet specific minimum educational requirements so they can grasp the new subjects.

[Begin Bolanos recording] The aspirants must have completed at least the ninth grade. This will make it easier for them to grasp the subjects they will be lectured on, such as better treatment of citizens. [end recording]

The subjects will include law, ecology, human rights, police procedures, and physical fitness. Professors have yet to be selected.

[Begin Bolanos recording] We have asked the country's universities to let us know which of their professors are willing to work for the Academy. We will also publish advertisements in the local newspapers for anyone wishing to enroll. [end recording]

The new National Public Security Academy expects to graduate and commission an estimated 9,000 civilian policemen in the first four months as part of the new public security strategy.

Guatemala

Serrano Fails To Testify on Civilians' Death

PA2705040792 Guatemala City SIGLO VEINTIUNO
in Spanish 26 May 92 p 8

[Text] President Jorge Serrano Elias has failed for the second time to meet with members of the Judge Advocate's Office at the National Palace to testify on the violent deaths of 11 civilians on August 1991 in Taxico and Escuintla.

District Attorney Carlos Enrique Estrada said Judge Advocate Colonel Ramon Pantaleon Palencia notified him that the procedure had been postponed because "the president has many things to do."

Estrada believes President Serrano's testimony is extremely important to the trial of eight Armed Forces members. He explained that the Attorney General's Office will ask the Judge Advocate's Office to summon the president to testify, because he is twice guilty of contempt after failing to testify before military officers.

Estrada emphasized that the penal procedure is basically intended to obtain the president's testimony on what he knows about the 9 August events in Escuintla jurisdiction.

The following officers have been charged with the murder of 11 persons and are currently detained in the General Barracks: Commander Mario Rene Garcia, Lieutenants Luis Pedro Alonso Guerra and Ever Alberto Galindo Lopez, Specialist Jorge Alberto Gonzalez Trujillo, Corporal Gilberto de Jesus Campos Morales, and Private Tito Martinez Perez.

Captain Anibal Giron Arriola, former commander of the Pacific Naval Base, is not involved in the process because the 10th Court of Appeals canceled the preliminary hearing after deciding there was no evidence against him.

The victims were: Enrique Solano, Rosa Gladys Lopez Navarrete, Nery Estuardo Barrientos Alfaro, Antonio Vitelio Rivera Sanchez, Francisco Rufino Robles Lopez, Gonzalo Martinez Zileton, Giovanni Escobar Solis,

Santiago Guzman Arrecis, Gregorio Morales Ortiz, Felix Lopez Moran, and Luis Fernando Jimenez.

Defense Minister Denies Use of Claymore Mines

PA2705012592 Guatemala City EL GRAFICO
in Spanish 23 May 92 p 6

[Text] National Defense Minister Jose Domingo Garcia Samayoa has stated that the Army does not use explosive mines of any kind. The high-ranking military chief thus denied charges made by the Guatemalan National Revolutionary Unity that some children had lost their legs in accidents involving mines placed by the Army near military installations for fear of the guerrillas.

Garcia Samayoa said Claymore mines are well known, and everyone knows who uses them; namely, the guerrillas. The Army, he reiterated, does not use mines of any kind, much less Claymore mines.

The defense minister said the guerrillas continue to wage their war against the civilian population. For example, the guerrillas have attacked peasants of Playa Grande and the mountain area of El Quiche. Several of them were injured and are being treated at the local military hospital.

The minister added that the guerrillas continue to attack the highways from their so-called "war tax collection posts," robbing drivers and passengers alike. For example, he said, the guerrillas recently tried to set up a post on the highway to Quetzaltenango to intercept privately-owned vehicles and force the passengers to listen to a senseless, obsolete harangue.

The defense minister pointed out that it would seem as if the media were not enough for them, and everyone must listen to them. The guerrillas force the people to listen, intimidating and threatening them.

Meanwhile, [Government Minister Fernando] Hurtado Prem said that the new chiefs of the National Police have begun to evaluate the results of the Hunapu Task Force to determine its fate. Hurtado Prem said that, depending on the results of the evaluation, the activities of the task force might be exclusively under the National Police. The government minister added that a final decision on the Hunapu Task Force might be made in June.

Fernando Hurtado Prem also said that the new authorities of the National Police have already received precise instructions for conducting an in-depth investigation into the attack and threats against Deputy Mario Taracena.

The minister said there might be a political interest in the case. The government, he said, is worried and hopes the police will solve the case as soon as possible.

Honduras

Salvadoran With Rifles, Ammunition Arrested

PA2705151392 San Pedro Sula TIEMPO in Spanish
22 May 92 p 8

[Text] Tegucigalpa—The police have reported that members of an Armed Forces counterintelligence unit captured a Salvadoran who was transporting in his vehicle approximately 12 AK-47 rifles and ammunition. The capture took place at the Guasaule customs post on the border with Nicaragua.

A brief Public Security Force [Fusep] bulletin indicates that Jose Antonio Salazar Lopez, the driver of a vehicle with Salvadoran license plate No. 15401, was arrested on 20 May at approximately 1100 when authorities at the customs post found arms and ammunition in the vehicle in which he was traveling.

Fusep reported that the truck the Salvadoran was driving was transporting bran and that under its floor were compartments concealing 12 AK-47 rifles, 55 ammunition clips, 30,000 bullets of various caliber, four .45-caliber pistols with 10 clips, 14 carbine clips, 89 hand grenades, and 80 grenade launchers.

The official report notes that the materiel was coming from Nicaragua and was supposed to be taken to El Salvador. It has been reported that the Salvadoran and the truck are being held at the 101st Infantry Brigade Headquarters in Choluteca, and that in the next few days the man will be turned over to a Choluteca court.

Further on Weapons Seizure

PA2205153392 Mexico City NOTIMEX
in Spanish 1952 GMT 21 May 92

[Text] Tegucigalpa, 21 May (NOTIMEX)—The Armed Forces reported on 21 May that a weapons shipment from Nicaragua, reportedly destined for dissident movements in the region, was confiscated by Honduran authorities at the border post of "El Guasaule," on the border between the two countries.

Armed Forces spokesman Guillermo Pagan told NOTIMEX that the weapons shipment seized on 20 May included 12 AK-47 assault rifles, 55 AK-47 ammunition clips, 89 fragmentation grenades, and 80 fuses, among other weapons.

The authorities also seized four "TT" Soviet-made pistols and nine ammunition clips, one .32 caliber pistol ammunition clip, approximately 21,000 rounds of ammunition for AK-47 rifles, 18,000 rounds of ammunition for M-16 rifles, more than 1,000 rounds of ammunition for "TT" pistols, 540 rounds of ammunition for .32 caliber pistols, and 211 rounds of ammunition for "Dragunov" rifles.

The weapons were being carried by Salvadoran citizen Rafael Antonio Salazar Lopez, in his own vehicle, hidden under some fodder.

According to military intelligence sources, the weapons could have been intended for dissident movements in Honduras, El Salvador, and even Guatemala.

In addition to the weapons, the authorities confiscated \$150, 365 Salvadoran colons, 224 lempiras, and 23.50 cordobas.

The confiscation occurred on 20 May at the border post of "El Guasaule," located in southern Choluteca Department, and was reported on 21 May.

The Cinchonero Peoples Liberation Movement (MPL Cinchoneros) claimed responsibility for a fire two weeks ago at the National Enterprise for Electric Power (ENEE) facilities.

On Tuesday, 20 May, the Morazanist Patriotic Front (FPM) claimed responsibility for the downing of two electric poles in the capital.

Nicaragua

Cesar Accuses Gen. Ortega of Usurping Powers

PA2705021992 Managua Radio Sandino in Spanish
1830 GMT 26 May 92

[Text] National Assembly President Alfredo Cesar reacted irately today to remarks made on 25 May by General Humberto Ortega Saavedra, chief of the Sandinist People's Army. Ortega took off his mask and appeared just as he is, Cesar said. During an appearance on a radio program, Cesar said that in any civilized country, Gen. Ortega would have been replaced and tried for usurping presidential powers, openly meddling in the legislative branch, and usurping the powers of the judicial branch. He also reiterated that foreign aid for Nicaragua has been squandered. Here is an excerpt of his remarks.

[Begin Cesar recording in progress] ...the Army chief said yesterday. With not so much as an attempt at observing the appropriate formalities, he ceased to be the things he has proclaimed himself to be for months; namely, a military official obedient to civilian rule, a newly converted democrat, and an officer who obeys the president's political decisions. Yesterday we watched him take off his mask and show himself for what he really is: a military chief who feels he has omnipotent power, who is emboldened to openly meddle in the affairs of the National Assembly and the legislative branch, to usurp the duties that fall within the purview of the ministerial cabinet, as established by laws, and go as far as to announce what is solely the president's decision regarding the National Assembly's summons to the Army chief to testify, to announce before the president's decision is known his view that the National Assembly acted illegally. We are seeing an Army chief go beyond

just talking and behaving as if he were the president. He took on duties that belong to the Supreme Court of Justice, which is the only body that can rule on the legality of National Legislative Assembly actions. I think the Army moved in to impose order when the National Assembly voted to summon the Army chief. The National Assembly's decision compelled him to consider his actions and somehow deflect criticism that he is not fulfilling his constitutional duty. I frankly believe that following yesterday's news conference, what was built with one hand was destroyed with the other with worse consequences. The Army chief's remarks, which upset the constitutional democratic order of three government branches—the only entity he did not touch was the electoral power—are serious. To be sure, the National Assembly has counterpart organizations in the international community that promote the unity of the democratic legislatures of the world. It is at the Central American and Latin American legislative bodies, even at the U.S. Congress, where we will report this meddling in the legislative branch along with the seriousness that the situation entails for the democratic consolidation of Nicaragua. This very seriously imperils Nicaragua's democratic system and cannot go unnoticed. [end recording]

Humberto Ortega Denies Resignation 'Rumors'

PA2605182292 Managua Radio Nicaragua Network
in Spanish 1200 GMT 26 May 92

[Statement by Army General Humberto Ortega, commander in chief of the Sandinist People's Army, in Managua on 25 May—recorded]

[Text] Of 4 million Nicaraguans, I believe that only a few, like you, are concerned about my resignation. I believe this is not the Nicaraguan people's problem. All reports in this regard are simply ill-intentioned rumors. I believe this is the work of those who want to give the impression that Nicaragua is not viable, that it is not possible to invest in Nicaragua, because everything is in crisis. The legislative branch is in crisis because it is in confrontation with the executive branch. There is a crisis and one cannot invest, because there is a problem of disturbances, a problem of war, as if war were coming again. They fail to see that more than 30,000 weapons have been turned in, which is an aid to stability.

Now an effort is being made to give the impression internationally that there is a crisis in the Army. Thus, someone is interested in making remote the possibility of stability in the country.

Thus, it is only a rumor that the Army General Staff plans to resign. We believe we now have the greatest obligation to contribute to the country's stability and to consolidate our institution professionally so as to guarantee a process of orderly transition in the future, one that will not be traumatic or generate more instability. No one here is thinking of resigning.

It is important that you journalists not fall into that trap. Actually, we have been advancing on a scale of one to 100 as concerns problems, conflicts, and terrible situations—100 was 25 February 1990—and I can say that now we are down to 20 on that scale. We are advancing toward total stability. We are advancing toward the conciliation and peace that will make it possible for the economy to recover. That has been our focus.

In a period of six months that we have analyzed, is it not a victory that there are now 36,000 fewer weapons in the hands of civilians? Is it not a victory that order has been restored here without tens of thousands of dead and wounded, which shows that we have acted prudently? Is it not a sign of success that we have not taken thousands of prisoners? Is it not a sign of success that there are no car bombs exploding here as they do in Peru?

Cesar Delays Ratification of Regional Protocol

PA2205125692 Managua LA PRENSA in Spanish
20 May 92 p 2

[Report by Felix Navarrete]

[Text] National Assembly President Alfredo Cesar has boycotted the summit of Central American presidents by delaying the approval of a regional "protocol" ratifying the legal framework of the Organization of Central American States (ODECA).

President Violeta Chamorro urgently submitted to the Assembly the so-called "Tegucigalpa Protocol." She was supposed to deliver the approved document to her Central American counterparts at the summit to be held on 4 and 5 June. However, this will not be possible because the president of the Legislative Assembly did not send it to the appropriate commission.

The "Tegucigalpa Protocol," which contains two articles, would have been approved on 19 May had Cesar given special and exceptional attention to the president's request. However, that was not the case.

The "Tegucigalpa Protocol" must be approved by the Central American parliaments before the Central American presidential summit scheduled to take place in Managua on 4 and 5 June.

First National Assembly Secretary Fernando Zelaya Rojas and Sandinist Deputies Herty Lewites and Jose Leon Talavera asked Cesar to reconsider his decision, taking into consideration that it is a regional "protocol" that confirms the political willingness of the Central American presidents.

They recalled that no congress has rejected thus far a presidential request for the ratification of a regional protocol.

However, the gist of the problem—the real reason—is that the Central American Integration System announced in the "protocol" could frustrate the efforts

that area vice presidents have made in that direction; Vice President Virgilio Godoy has made great progress.

Only Conservative Deputy Edmundo Castillo, president of the Central American Integration Commission, vehemently defended Cesar's decision and dealt a "low blow" to Deputy Zelaya Rojas, whom he accused of defending the Presidency because of his diplomatic post in the UK.

However, taking advantage of his power over the decisionmaking process, Cesar sent the "protocol" through regular channels, which takes 15 days. This was seen as a whim that increases tension between the executive and legislative branches. Cesar claimed that the Presidency sent the "Tegucigalpa Protocol" too late, and used that argument as an excuse to delay the debates.

Sandinist Deputy Jose Leon Talavera proposed that the "protocol" not only be reviewed by the Foreign Affairs Commission but also by the Central American Integration Commission.

Cesar accepted the proposal, but it was learned that the presidents of those two commissions, Adolfo Jarquin and Edmundo Castillo, will try to delay the decision in order to "make prevail" what they view to be the legislative branch's independence.

The regional protocol seeks to update the legal framework of the Organization of Central American States (ODECA), based on the new social context in the region. Its approval by the Central American parliaments is interpreted as the ratification of the presidents' political will.

EPS Issues Communique on National Security

PA2605185092 Managua Radio Nicaragua Network
in Spanish 1630 GMT 25 May 92

[Communique issued by the Sandinist People's Army, EPS, in Managua on 25 May—read by EPS Commander General Humberto Ortega]

[Text] The Sandinist People's Army [EPS] hereby informs the people of Nicaragua about the following matters of interest:

1. During the second half of 1991, the country's Armed Forces announced their commitment, in a 27 November communique, to increase efforts to obtain substantial progress in the peace process, especially regarding the armed groups of recontras and recompas and the general civilian disarmament plan.

2. As of today, 25 May 1992, the Summer 92 Contingency plan, designed by the High Command of the Armed Forces and the Ministry of Government in January, has yielded positive results summarized as follows:

a) The disarmament of the rearmend was initiated on 21 January at the Tomatoya and El Dorado enclaves. The first phase ended with the demobilization of "El Indomable" [Jose Angel Moran Flores], on 10 February, and of

the High Command of the recompas and recontras, on 15 February in Matagalpa. Commanders "Dimas" [Francisco Valdivia] and Moises Arturo Mariena, respectively, were among the main leaders of each group. The results of the demobilization process are as follows: 5,236 recontras and 5,773 recompas, and the collection of 7,052 weapons.

b) A second disarmament phase was necessary, given the dispersed locations of the armed groups, and eleven new official enclaves were created. A great majority of these enclaves were located near the camp sites of these disarmed groups. The process officially concluded on 20 March, although negotiations continued in accordance with the terms of the first phase. The results of this demobilization process are as follows: 6,514 recontras and 3,411 recompas, and the collection of 6,352 infantry and support weapons.

The disarmament process encouraged the armed groups of the Yatama organization and other dislocated groups in the mining areas of the North Atlantic Region to create a political atmosphere for negotiations with the government. The negotiations were directed at joining the disarmament process under terms similar to those applied in other regions of the country. Such negotiations began on 3 April at two enclaves: Sinsin and Maniwatla, and later at Las Minas. The process concluded on 14 April with the demobilization of 877 recontras and 94 recompas, and the collection of 621 infantry and support weapons. The total amount of fighters demobilized during the two phases was 12,627 recontras and 9,278 recompas, and the collection of 12,980 infantry and support weapons.

c) The third phase of the disarmament process began in early April and was scheduled to conclude on 25 April. Due to the large amounts of weapons in the hands of the civilian population, this process was extended through May. The results to date of this third phase are: 22,197 infantry weapons and 215 support weapons. The overall total of weapons collected and destroyed during the entire disarmament process of 1992 surpasses 36,000 infantry and support weapons.

3. From January to May of 1992, there have been more than 1,600 illegal activities provoked by the rearmed and the so-called revueltos (mixed bunch of recontras and recompas). These actions have included heinous killings, such as the recent killings of humble policemen by small groups of bandits in the mountainous region of Kuska-was. Such activities have resulted in more than 150 casualties, including 87 dead. Such illegal activities were repelled in different ways by the EPS and the National Police. There have been significant results, both in the disarming of the rearmed and in the neutralization of highly tense situations, such as the situations in Cebaco, Ocotal, Esteli, Masaya, and recently in Leon, Chinandega.

4. The preventive action of the security organizations of the Directorate of Information for Defense (Direccion

de Informacion Para la Defensa) and the joint Army-Police operations have averted terrorist and destabilizing plans in different parts of the capital, at the airport, at the refineries, and elsewhere. We have also managed to establish the identity of the executors of the bomb attacks on the Elimun Mine and the Weapons Store in Cihuatepe. We captured the culprits and recovered the material they had stolen. We also confiscated arms caches in different parts of the country.

5. Of these important achievements of the Armed Institutions, especially outstanding is the training of special rapid response units. This has enabled us to strengthen the availability of the combative guards personnel and coordination with the National Police special riot brigade. Special mention goes to the dedicated and successful work carried out by the Special Disarmament Brigade, BED, which, in its patriotic mission to destroy seized arms and ammunition, suffered a tragic accident that cost the lives of several of its members, including Army Captain Jose Antonio Alonso Garcia.

6. In addition to these complex and priority tasks to secure peace, our armed institutions have had to face socioeconomic problems, which in many cases go beyond the law: common crime, intensified by a worsening economic crisis; piracy; drug trafficking; cattle rustling; and economic crimes. The plan to reorganize arms depots and camps was strengthened to prevent a flight of weapons and accidents, for which a special EPS commission was counseled by a special U.S. Army commission. In April we presented to the Inter-American Defense Board in Washington an EPS plan which requires the support of the international community for it to be implemented soon.

The communication system's command post was created to support the presidency's National Reconciliation Plan, PRN. The MINSA's [Health Ministry] immunization drive against cholera received our support, and important help was given to the people affected by Cerro Negro's eruption. Tons of ENABAS [National Enterprise for Staple Foods] dry goods were transferred from San Isidro to Leon and guarded, and the army plans to continue supporting the central government's national plan to distribute milk to school children.

7. Our armed corps and police believe the peace process has been successful, and there has been little bloodshed and destruction compared to highly developed countries such as the United States, where rioting in Los Angeles and other cities resulted in dozens of deaths, and thousands of burnt and looted buildings. Also, thousands of Venezuelan and Peruvian malcontents have provoked internal conflicts recently. The economic cost of the recontras', recompas', and troublemakers' activities has been great because they not only discourage foreign investments but also jeopardize in particular the activities of small and medium-sized farms, in particular, and craftsmen and businessmen in general. The entire population dislikes roadblocks—whether set up by armed individuals or not. The people have supported efforts to

enforce order during illegal acts such as these, permitting a better atmosphere for enforcement, as was recently the case in the northern and western areas.

8. Our army believes the protests and demands from retired Army members, former Nicaraguan Resistance members in the Government Ministry, former *recompas*, and former *recontras* are generally justified—particularly in light of the government's failure to fulfill some agreement points. However, we want to emphasize to these groups that this does not justify armed or violent protests that violate the law, provoke outbreaks of anarchy, worsen the country's weakened economic condition, and preclude rather than provide a solution to the critical economic problems these groups suffer. The Presidency has granted the Government Ministry the authority to implement agreements that have yet to be fulfilled. We know it is determined to fulfill its pledges. The goal set to complete implementation of pending agreements is September 1992.

9. We believe the Armed Forces's decision to firmly enforce constitutional order is a determining factor. It is essential, however, for the various government offices to overcome their bureaucracy, shortcomings, and vengefulness in order to guarantee fulfillment of the agreements.

10. We also believe it is important that the political parties that enjoy the citizens' support, as does the Sandinist National Liberation Front [FSLN], continue to make greater systematic efforts to influence these sectors and prevent them from repeating the violent actions of the past.

11. The Armed Forces also believe it is critical for the government to have the active support of business and other economic groups to overcome unemployment and poverty. It is important to implement an emergency plan as we secure the economy's gradual revitalization, together with a gradual increase in job availability. This can be accomplished by creating an atmosphere of non-violence similar to what we have already achieved. This plan would be directed by the government, but it would have the full, disinterested, and Christian support of all of the country's economic groups, especially the stronger ones. With the help of community organizations and the religious forces, the plan will get help to the neediest of the very poor.

12. War casualties must receive special attention, particularly the disabled. Our forces will redouble their efforts to seek aid from our colleagues' forces abroad. We also stress the need to prioritize the needs of retirees and their integration into the socioeconomic life of the country.

13. The issue of property, the legalization of property deeds, lots, credit, and land, among others, need to be addressed immediately. We must resolve what is realistically possible to resolve, thereby assuring that the other issues will be addressed in due course.

14. Given the dramatic situation, all Nicaraguans must try to consolidate the national peace and reconciliation process to guarantee the national stability that will secure economic revitalization. Concurrent with enforcement of stringent measures to maintain public order and security, it is essential that management and workers unions take into account the serious crisis. Management must avoid increased earnings at the cost of deeper poverty. Workers unions must not demand impossible salary increases without defending their jobs first.

A more efficient and coherent government operation is essential. Determined support of the government by political and trade union forces is necessary to save and revitalize the economy, bearing in mind that the economic plan's success will be a victory for Nicaragua and the poor in particular, as Cardinal Miguel Obando Y Bravo has said. Our army hereby makes a patriotic call to National Assembly members to join President Violeta Barrios' sincere efforts for reconciliation and economic revitalization; a call to the National Assembly's president to cease the destabilizing obstruction of issues such as property, to stop inhibiting foreign investment, and to not meet with the King of Spain and the Spanish Government to halt European aid to our country.

The EPS High Command hereby publicly congratulates its members, who fulfill their duty with a great spirit of devotion and dedication under very tight salary and material conditions. They know that once the economy has recovered, their living conditions will improve.

[Issued] Maragua, 25 May 1992 by the EPS High Command.

EPS Spokesman on 'Attempted Barracks Coup'

PA2305124192 Managua Sistema Nacional de Television Network in Spanish 0300 GMT 22 May 92

[From the unofficial "Extravision" newscast directed by Manuel Espinoza, former information minister under the Ortega administration]

[Text] The Sandinist People's Army [EPS] on 21 May denied a report that had been circulating for several days regarding promotions of high-ranking members of that military institution.

Lieutenant Colonel Ricardo Wheelock, EPS public and foreign relations director, labeled the reports of promotions and changes at the helm of the Armed Forces as an attempted barracks coup. Those reports are intrigues by groups interested in reforming the Armed Forces Organic Law, said the military officer. We have here Wheelock's statements:

[Begin Wheelock recording] According to the report, not only does EPS Commander in Chief General Humberto Ortega appear to have been practically dismissed, but he also puts an end to his mandate. This is simply an attempted barracks coup, because it is totally outside the

law on how changes are made within the EPS. Changes must be approved by the government. The EPS commander in chief has the power to promote to the rank of colonel, and the president of the Republic makes promotions from major and above. [end recording]

According to Wheelock, EPS promotions occur only in September following a strict, public procedure. He also noted that the reports of promotions at the military institution's highest levels have emerged from Legislative Assembly sources.

'Revueltos' in Chinandega Surrender Weapons

PA2505124192 Managua BARRICADA in Spanish
23 May 92 pp 1, 8

[Report by Luis Valverde]

[Text] Under strong military pressure from special EPS [Sandinist People's Army] troops, almost 500 revueltos [mixed group of recontras and recompas] who had occupied several ranches and the main roads of Chinandega Department, put down their weapons on 22 May in Villa 19 de Julio in light of the government's promise to start reviewing the unfulfilled agreements as of 25 May.

The demobilization took place at the Santa Matilde Ranch in Villa 19 de Julio where, from 1000 to 1600, recompas and recontras lined up to turn in their rifles, one by one, to members of the Special Disarmament Brigade (BED).

According to Commander Marcos Arevalo, chief of the BED, AK-47, Fal, and BZ rifles and an RPG-7 were among the weapons the revueltos threw under a mango tree and, after their names and surnames were duly registered on a list, each revuelto received 500 cordobas per rifle.

In Malpasillo, 10 properties that were formally "returned" by the government to its former owners are still occupied by poor peasants: the people who have demanded land throughout history.

Commanders "William" and "El Mono," chiefs of the recompas and recontras, respectively, told BARRICADA that, after meeting with the BED chief, they decided to surrender their weapons for a second time to avoid clashes with the EPS.

"William" added that his forces agreed to demobilize because Deputy Government Minister Joaquin Lobo assured them on 21 May that he is fully empowered to start reviewing and implementing the agreements at a meeting to be held at 1000 on 25 May at the Chinandega mayor's office.

"We hope it will not take the government another two years to comply with the agreements," said "William." He said their demands include the distribution of land, granting of financing, urban lots, and title deeds for those who already hold land.

Meanwhile, special Army troops deployed to Region 2 on 21 May to "restore order" cordoned off the area between Villa 19 de Julio and the vicinity of Guasaule.

Large groups of soldiers stood guard at the farms of El Sebadero, Las Cricas, Alzacia (owned by Ramiro Gurdian), San Carlos, San Juan, Las Mercedes, and a cotton processing plant, all of which were voluntarily evacuated by the revueltos.

Roadblocks erected on access roads to Villa 19 de Julio and Somotillo were also removed on the evening of 21 May.

Commander "William" pointed out there are no longer any armed forces under his command in Chinandega Department. This was confirmed by recontral leader "El Mono," who said that rearmed former members of the Nicaraguan Resistance surrendered their rifles. However, he pointed out, some 900 recontras are demanding land and credits in Chinandega Department.

INE Director Announces Russian Investments

PA2605233792 Managua LA PRENSA in Spanish
23 May 92 pp 1, 12

[Report by J. Ivan Olivares B.]

[Text] Russia will invest \$220 million in geothermal and electrical projects through "Inter Geoterm, Incorporated," a joint venture established with Russian and Nicaraguan capital.

That was the most important announcement made by Engineer Emilio Rappacioli, minister director of the Nicaraguan Institute of Energy (INE), during a news conference held upon his return from that European nation. He also said that other European and American investments would be made in Nicaragua.

The minister explained that Nicaraguan participation in the recently created enterprise was guaranteed by his appointment as chairman of the board and another Nicaraguan citizen's appointment as manager. The board will be composed of five members, three of which will be Russian.

The contract specifies that Nicaragua has the right to purchase 51 percent of the shares. INE has not ruled out the possibility of offering packages of shares to the country's private sector.

"Inter Geoterm, Inc." will drill 30 wells in San Jacinto Tizate using four drills worth \$3 million each. The wells will begin to operate in August, forming a central unit capable of generating 105 megawatts of power.

A plan was prepared to construct five 21-megawatt units. Two will be inaugurated late in 1994; two others later in 1995; and the last one in mid-1996.

INE's initial investment will be \$6 million, and the Russians' will be \$15 million.

Some of the plans contemplated by INE's current administration include the short-term installation (before the end of 1992) of two 25-megawatt gas turbines in Tipitapa.

Another plan is the "HMG" [expansion unknown], located in the Cerro El Hoyo and Monte Galan zone between Momotombo and Cerro Negro volcanoes, with an estimated potential of 105 megawatts by 1998 to 2000.

Aside from those two projects, surveys are being conducted for the construction of a third unit with a 20-megawatt capability at the Momotombo Plant by 1997. Both that project and the HMG will be financed with Mexican and Venezuelan funds.

INE is also conducting feasibility studies on the use of the water going through the turbines at the "Centro America" and "Carlos Fonseca" hydroelectric plants in Matagalpa.

The plans are to use the water downriver to generate an additional 6 megawatts at "Los Calpules" in 1996, 20 megawatts at "Larreynga" in 1999, and 40 megawatts at "Montegrando" in 2000.

Additional plans include studying an Italian offer to install "portable" turbines in large rivers such as the San Juan river to generate 40 megawatts in three years. These turbines have a unique characteristic: They do not need dams to operate, they are simply installed over the river.

Preparations Under Way for Presidential Summit

PA2705024892 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 26 May 92

[Text] OAS Secretary General Joao Baena Soares will be a special guest at the Central American Presidents' Summit. Other high-ranking officials of the World Bank, IDB, and the Central American Bank of Economic Integration [BCIE] have also confirmed their participation. The venue for the meeting is being prepared.

IDB President Dr. Enrique Iglesias; Mr. (Reinier Steidman) of the World Bank; the secretary general of the Secretariat of Central American Economic Integration; the administrator of the UN Development Program; and a large delegation from the BCIE are among the special guests who will be attending.

The inaugural ceremony of the 12th Central American Presidents' Summit will be held at the Olof Palme Convention Center, and the Camino Real Hotel in Managua will host the Central American and Belizean presidents summit, where they will analyze and evaluate the results of previous summits.

Topics to be discussed include the establishment of peace in Central America, the economic and developmental integration of Central America, and the Central American Parliament. An area of the hotel is being remodeled quickly for the presidents' private sessions.

The first ladies will meet at the El Sol Hall. Other halls have been prepared for meetings of foreign ministers and economy ministers.

There will be a press room, where approximately 200 journalists will cover the summit and report to area countries at no cost. The transmission signal may be used by all of Central America.

[Begin Ernesto Robleto, director of the Directorate of Information and Press of the Presidency, DIPP, recording] There will be a permanent microwave system operating when the presidents arrive. The system will be coordinated by a team from Channel Six [Sistema Nacional de Television] and from the DIPP for either a live or recorded broadcast, to be decided by each country. At the conclusion of the presidential summit, there will be special live broadcast from the Central American Plaza, so when the presidents return to their countries, a summary will be broadcast on each and every country. That broadcast will be at 2030. [end recording]

Preparatory meetings have already been scheduled. The Central American foreign ministers will meet in Nicaragua on 29 and 30 May. From 1 to 3 June, the DIPP will sponsor a seminar for local journalists covering the summit.

Panama

Suspension of Relations With Peru Announced

PA2605234292 Panama City Circuito RPC Radio in Spanish 2200 GMT 26 May 92

[Report by Luz Quijada]

[Text] The Panamanian Government on 26 May suspended diplomatic relations with the Peruvian Government because of the disruption of constitutional order in that South American country, the Foreign Ministry has reported.

The Panamanian Government deemed it necessary to withdraw its diplomatic representatives accredited in Peru and invited the Peruvian Government to withdraw its representatives from Panama within a prudent timeframe.

According to a Foreign Ministry communique, this reaction was prompted because more than eight months have passed since the Foreign Ministry learned about the disappearance of former military officers Gonzalo Gonzalez and Heracles Sucre, who have been charged with killing 17 persons. Panama has repeatedly requested their extradition. However, the Peruvian administration has been unable to locate these soldiers and Peru has not met Panama's request satisfactorily. Unlike Peru, Panama has complied satisfactorily with the diplomatic asylum convention signed in Caracas in 1954. Concerning this issue, Foreign Minister Julio Linares has said:

[Begin Linares recording] What happened in Peru was that these military officers, who should have been guarded while their extradition request was being processed, vanished into thin air. By disappearing, a sub-
straction of matter [substraccion de materia] takes place. The entire case is useless if these gentlemen are no longer in Peru or it is not known if they are there. [end recording]

A few days ago, Peruvian Constitutional President Alberto Fujimori visited Panama and was received by government officials. However, Linares explained that this was a formal procedure. In addition, Linares said that Panama hopes to reestablish relations with Peru as soon as possible, in spite of the situation.

[Begin Linares recording] Panama would like to reestablish diplomatic relations with Peru as soon as possible. To do this, it is only required that the de facto regime in Peru returns to the path of constitutionality and that the Peruvian Government is willing to offer an explanation on the disappearance of the two Panamanian former military officers. [end recording]

Linares also explained that the suspension of diplomatic relations with Peru does not mean Panama will abandon the pending extradition requests.

Meanwhile, when questioned about the possibility of Panama becoming isolated from the rest of the world, Linares warned: "Either we defend democracy, or we do not defend it. Decisions must be made and if the price is to become isolated, we will become isolated."

Endara Comments

PA2605225692 Panama City Radio KW Continente
in Spanish 2144 GMT 26 May 92

[Report by Roberto Rodriguez]

[Text] President Endara has commented on the suspension of diplomatic relations with Peru. He just attended a ceremony to install the Corps of Electoral Delegates [Cuerpo de Delegados Electorales] at the Atlapa Convention Center. Here are his comments:

[Begin recording] [Unidentified reporter] What are your first comments on the suspension of relations with Peru?

[Endara] That was a decision adopted by the foreign minister and the president of the Republic in their capacity as directors of Panama's international relations.

[Reporter] What about Panama's claim over the military officers who are in that country?

[Endara] As a matter of fact, Peru has said nothing about that.

[Reporter] What about Haiti?

[Endara] We have suspended diplomatic relations with Haiti.

[Reporter] Do you expect other Latin American countries to emulate your decision?

[Endara] We are doing what our conscience and preestablished policy of following the Betancourt Doctrine dictates. I do not know what other Latin American countries will do.

[Reporter] [Question indistinct]

[Endara] We waited for the OAS meeting. We had said that if the OAS failed to adopt a measure in keeping with our criteria we would act in keeping with our own.

[Reporter] Why have other governments not adopted the same measure?

[Endara] Perhaps because the other governments do not follow the Betancourt Doctrine, but we do. [end recording]

First Vice President Talks About U.S. Tour

PA2605194692 Panama City EL PANAMA AMERICA
in Spanish 26 May 92 p 1A

[Report by Eduardo Soto P.]

[Text] On 25 May, upon his return from a U.S. tour, First Vice President Ricardo Arias Calderon said the Panamanian Government "has a very poor image" among U.S. political, social, and economic associations.

Arias, however, said that U.S. Government officials, the IFIS [International Financial Institutions], and various civic and religious groups "understand and accept Panama's problem."

Instead of being met by an official committee, Arias Calderon was met at Tocumen Airport by some members of the opposition Christian Democratic Party (PDC).

The vice president traveled to the United States to explain the serious social conditions Panamanians are experiencing. He said he found influential U.S. groups to be receptive, especially IFIS representatives.

Dr. Arias Calderon said that if the Panamanian Government paid attention to the social issues he presented in the United States, "we would be better off in Panama," and in our relations with international credit organizations.

The first vice president said that "the government, in its economic program, does not pay attention to the social problems of the Panamanians."

I went to explain to the Americans that international cooperation must consider the social dimension, Arias Calderon said.

IDB, AID Reportedly Withholding \$102 Million*PA2705155692 Panama City LA ESTRELLA DE PANAMA in Spanish 27 May 92 p 1A*

[Report by James Aparicio]

[Text] Second Vice President Guillermo Ford, who is also minister of planning and economic policy, reported on 26 May that the Inter-American Development Bank (IDB) and the Agency for International Development (AID) have withheld payment on about \$102 million in aid to Panama because of the delay in the government enterprise privatization program.

Ford said that the IDB has not disbursed \$60 million and the IDB [as published] \$42 million for activities he did not specify.

Six months ago Panama began a gradual economic reform, applying structural adjustments that include the privatization of about 20 government enterprises.

The Legislative Assembly's slowness in approving legal guidelines [ley marco] to regulate the process "has prolonged" the sale of enterprises, Ford said.

President Guillermo Endara's government has sold the Air Panama airline, trash collection services, transportation services in the canal area, and Kobbe beach tourist services.

New Civilist Organization States Principles*PA2205155492 Panama City EL SIGLO in Spanish 20 May 92 p 7*

["Declaration of Principles" of the Civilist Renovation—Party in Formation]

[Text] **Declaration of Principles**

We, as Panamanian citizens, hereby constitute ourselves as a political party that shall be known henceforth as Civilist Renovation, with the intention of presenting to the public an option acceptable to the people. This party commits itself to uphold democratic participation, trustworthiness, and a representative public performance. Our political ideology endorses the rescue of national, civic, moral, and social values that will be an inspiration and will set a course toward bringing about opportunities for all citizens.

We plan to uphold justice, liberty, democracy, honesty, equality, integrity, human rights, and work as pillars of public discipline and morality, that will serve as the basis for a modern and progressive society.

Our organization aims to establish a civil democracy that will respond to the transformation for which the country is asking. We support the clean up of public authorities, the implementation of an honest and competent justice system, and a public security regime that will guarantee

life. We embrace the establishment of an electoral system that will guarantee respect and the efficiency of universal suffrage.

We will strive for an effective acknowledgment of the right to education, health, housing, and the protection of natural resources. We affirm the principle of work as the right and duty of all individuals and an essential element in achieving progress and national wealth without paternalism. We seek to have true social justice as a guideline, which will guarantee the integral development of the individual in a surrounding of dignity and decorum.

Conscious of the frustration and skepticism in which all Panamanians are immersed because of the growing moral, political, and social degeneration, we are committed to work for a fundamental change in national direction, as well as for a strengthening of all republican institutions. We are also committed to work to place the most responsible citizens in government positions.

Having such goals, we call upon all Panamanian men and women who want change to join our effort to form a solid organization that is able to achieve the basic transformation that all Panamanians desire.

We, men and women who love Panama, invite you to join this new organization to attain the renewal that will allow us to have a more just and democratic society.

[signed] Carlos Abadia, Manuel Burgos, Carmen Cecilia Capriles, Roberto Brenes, Tomas Herrera, Carlos Harris, Ricardo Landero, Camilo Ceden, Lourdes Rodriguez, Juan R. Morales, Juan R. Morales III, Sandra Escorcía, Jorge Ameglio, Liza Lima Young, Volney Guinard, Delfin del Busto, Serguei de la Rosa,.... and many more.

Join the Civilist Renovation today. For more information, call 25-4887 (Manuel Burgos).

Majority Favor Extension of U.S. Military Lease*PA2705035092 Panama City LA ESTRELLA DE PANAMA in Spanish 25 May 92 p A4*

[Report by Claudio Herrera J.]

[Text] A nationwide poll shows that 54.2 percent of 1,226 people feel that President Endara's administration should begin negotiations to extend the U.S. military presence beyond 2000.

The results of the poll were delivered in January 1992 and were prepared by "Management Consultants, Inc.," whose chairman is Alvino De Leon R. The survey, owned by IACCP [Inter-American Council of Commerce and Production] says most of the polled men and women answered favorably when asked about a continuation of the U.S. Armed Forces' presence.

Nevertheless, only people between 18 and 29 years said they disagree with a U.S. presence after that year. Actually, 53.7 percent of the people within that age bracket

answered negatively regarding an eventual negotiation to extend the U.S. military presence after 2000.

The tendency of the poll is clear: women are more favorably inclined than men to the U.S. military presence in this country. While 58.1 percent of the women endorse the troops' presence—following a negotiation—51.5 percent of the men endorse that option.

The poll included a question on whether the military bases should be handled like any other national asset and leased to the North Americans in a manner that is advantageous to our country. On this question, 57 percent of the people answered favorably. Only 18.6 percent prefer to have the bases leased for industrial, commercial, and tourism activities after 2000.

Moreover, poll results emphasize "the Panamanian has a definite idea of what he considers should be done concerning the U.S. bases which revert to the country."

They also indicate that 77.5 percent of the people polled throughout the nation think the national government should negotiate the bases' future.

Another result shows that 63.8 percent of the Panamanians have a definite idea about the amount of money needed to maintain the U.S. bases which revert to the country.

The general idea is that there are increasingly less jobs for Panamanian people in the U.S. military bases.

Referring to the specific use that should be given to military bases which revert to the country, there is a tendency (59.8 percent) to think they should be leased to the North Americans, but in a way that is advantageous for Panama.

Unemployment, Drugs Major National Issues

PA2205165992 Panama City EL PANAMA AMERICA
in Spanish 22 May 92 p 1A

[Report by Lucas R. Aleman H.]

[Text] A recent CID/Gallup poll sponsored by EL PANAMA AMERICA reveals that a significant proportion of Panamanians perceive the unemployment problem as the most pressing issue in Panama.

Of a total of 1,230 persons polled throughout Panama, 47 percent stated that unemployment is Panama's main challenge; 14.5 percent indicated that corruption was the dominant issue, while 14.2 percent selected violence as the most troublesome national problem.

The unemployment issue in Panama became worse during the political crisis that took place at the end of the 1980's. Despite the fact that economic growth has been evident in Panama for the past two years—6 percent in 1990 and 9.3 percent in 1991—it has not been sufficient to generate enough employment opportunities to cover the needs of the entire economically active population.

Other problems mentioned by those polled include drug use and drug trafficking, moral degradation, and the high cost of living.

When questioned with respect to the most unsettling problem among Panamanian young people, an overwhelming majority pointed to the drug issue.

Eight of every 10 Panamanians stated that the main problem among young people in Panama was the use of drugs.

At the beginning of the week, a study sponsored by the White Cross and financed by the Agency for International Development (AID) revealed that Panama is the Latin American country with the highest incidence of cocaine use.

The CID/Gallup poll also shows that the drug epidemic currently afflicting Panama, reported by the White Cross study, alarms a significant proportion of Panamanians.

The CID/Gallup opinion poll was carried out between 20 and 29 April and covered the whole nation. Individuals were interviewed in their homes. The poll has a 3 percent margin of error.

Argentina

President Discusses Foreign, Domestic Issues

PY2205141492 Buenos Aires Argentina Televisora
Color Network in Spanish 1210 GMT 20 May 92

[News conference by President Carlos Saul Menem at the Olivos Residence, moderated by Government Spokesman Humberto Toledo with foreign and domestic correspondents—live]

[Excerpts] [Jorge Gonzalez of NOTICIAS ARGENTINAS] Good morning Mr. President. I would like to know the latest figures on the capital legalization program and your comments on government estimates which are said to be \$600 million.

[Menem] The figure of \$600 million is not final. This is what was expected. The government estimated that the program will cover between \$600 or \$700 million, perhaps even \$1 billion. But I repeat, this is not the final figure. The government is still collecting bank reports from throughout the nation.

But before continuing, I would like to make an announcement affecting the presidential spokesman. I want to tell you that this is the last time this good friend and comrade, Humberto Toledo, will participate in this type of meeting as presidential spokesman. The post of presidential spokesman will disappear from the presidential office structure. From now on the presidential spokesman's office will deal exclusively with international information. This government will no longer have a presidential spokesman. [passage omitted]

[Gustavo Silvestre of Television Channel 13] Mr. President, if we have freedom of the press in the country, why does the government attack or react against the independent media when it denounces cases of corruption involving, or possibly involving, government officials?

[Menem] It is not quite like you say. The government only asks for proof before beginning any investigation. For instance, LA NACION today publishes an article in a small square on the front page on a possible scandal—in capital letters—that will possibly break today. The article mentions arms deals involving some national government officials and a former ambassador.

My reaction was to immediately order an administrative investigation and to file a lawsuit to deal with this matter. The newspaper's attitude is good but the president's reaction was even better. This is not an act of arrogance. We immediately started an investigation to stifle this type of rumor at its root—if it is just a rumor—or to harshly punish those responsible if the evidence confirms the rumor. This is what we want. Charges have to be substantiated by proof, evidence, and testimonies to confirm them. We want as much clarity as possible. We do not get angry or anything of the sort, but the official or officials involved have the right to a defense. We never had as much freedom of the press as

we have now. I will repeat this a thousand times if necessary. There is no possibility that freedom of the press will be curtailed or suppressed, at least as long as I am president. [passage omitted]

[Gabriela Serrutti of PAGINA 12] Regarding the Al-Kassar case. Mrs. Amira Yoma is connected with Al-Kassar and the Institute Marbella House through the Audiences Secretariat. Were you aware of their activities? If you were not, don't you think there must be a way to keep the president better informed of the activities of his closest assistants?

[Menem] Of course. The president was not aware of Al-Kassar's or the audience secretary's activities. The president cannot be everywhere. I think we have to create ways, implement formulas to keep the president better informed. The president cannot possibly be informed of everything. Other public officials have jurisdiction at those levels. They are the closest presidential assistants. I cannot intervene in matters affecting the Audiences Secretariat, or private secretariats. In some cases, different agencies of the national government recommend granting audiences which are scheduled by the Audiences Secretariat. For instance, a businessman comes from anywhere in the world. The president is not previously consulted. The appropriate minister, or his assistants are consulted first. The request for an audience is sent to the economy minister who consults with his advisers and they tell us if the audience is or is not appropriate/convenient. If the audience is not convenient the minister tells us who will look after the businessman who has come to discuss the possibility of investing in the country.

I think we have to adjust things tighter to keep the president better informed about the people he meets. Thousands of people request audiences every day.

[Gabriela Serrutti] Mr. President, I was not referring only to the people's request for audiences but also to the specific activity of your former Audiences Secretary Amira Yoma.

[Menem] Ah, you are referring to personal relations.

[Serrutti] Not personal, but to the type of relations Yoma had with a person accused...

[Menem, interrupting] But the president cannot control that. When we appointed Yoma as audiences secretary we did not know of her relationship with this Syrian citizen, and whether this relationship existed prior to her appointment or if it occurred after. We only found out about it after her appointment and after the events that are known to all and which prompted the resignation of Mrs. Yoma. [passage omitted]

[Julio Aguirre Chaneton of LA NACION] Mr. President, what political analysis can you make so far of the forthcoming change of the U.S. ambassador to Argentina?

[Menem] Well, as far as I understand, only a few countries maintain their ambassadors for lengthy

periods. In countries like the United States, ambassadors rotate normally and continuously. I understand that the change complies with the fact that Mr. Todman has fulfilled his mission for four years. Now Mr. Todman will be replaced, and Argentina has done the same with its ambassadors, ordering their transfer or replacing them with new ambassadors. I do not think this is a political matter, but a regular rotation which is the U.S. style regarding diplomatic matters. I am not in a position to make a political analysis, and besides, I do not want to meddle in U.S. domestic affairs. That decision involves only the U.S. State Department, which is the U.S. Foreign Ministry.

[Aguirre] But you must admit that during Todman's tenure there have been some conflicting aspects with your administration. Do you believe that there could be a change of style perhaps?

[Menem] No. I think the United States maintains a line of conduct—not just now, but always—and I do not believe that because of what happened here with Mr. Todman, who is a great ambassador who continuously supported Argentina in this process of changes and transformations, may imply a change in the U.S. foreign policy.

[Aguirre] If you allow me, I would like to ask another question. You have recently announced the elimination of the presidential spokesman post. How will you handle the government press policy in the future?

[Menem] You will have a deluxe spokesman: the president of the nation. [laughs] Excuse my modesty.

[Horacio Barba of Radio Rivadavia] Mr. President. Economists state that stability is a necessary and essential condition for economic growth. Yet they warn that without growth, stability will vanish. My question, Mr. President, is this: What measures does the government intend to adopt in the short term to establish sustained growth within society, and thus avoid, as the economy minister warned, a struggle over the distribution of intersectorial resources?

[Menem] All our measures seek to intensify the current process over the next few months. A record has been broken, for instance, on the stock exchange, which to some extent implies a process of investment through shares. New records have been set in this harvest. This is part of the productive revolution. It is an absolute record. The grain harvest has set a historical record, although in second place compared to other sectors, but it is an absolute production record in Argentina. This report was released by the newspaper LA NACION, and I do not know whether other newspapers are involved. We are working hard. In addition to eliminating the fiscal deficit and stabilizing the economy to prevent inflation we are also trying to develop the credit issue, which is an instrument essential in the development of the economy. Without credits it is very difficult to develop the economy. We are aware that interest rates are still high in Argentina, but we are adopting all

necessary measures to grant low-interest credits in the near future, so that the productive revolution we have announced and implemented will be further intensified.

The deregulation of the economy is also an essential aspect to reactivate and develop the Argentine economy. All the measures adopted seek growth, development, and accumulation of wealth for the good of this new state we are creating: a social state with an equitable and just distribution of wealth among all areas of the community. [passage omitted]

[Unidentified reporter] Would you renounce your reelection aspirations because of the criticism of your style of government?

[Menem] But who mentioned reelection aspirations?

[Reporter] Don't you aspire to be reelected?

[Menem] Not at this time. Besides, it is the people who will decide that, not Carlos Menem. [passage omitted]

[Virgilia Mejia of Mitre Radio] I want to talk about the resignation of Admiral Emilio Osses, Armed Forces chief of the Joint Staff. Osses said that the Armed Forces are not equipped to perform their duties. Do you agree with this assessment? Who will replace Osses?

[Menem] I did not hear Osses use that expression. Two months ago Adm. Osses talked to me about his resignation. He said he had completed his cycle and needed the rest. This was two months ago. Osses, the defense minister and I agreed to keep this information secret until the appropriate time. I do not know who leaked the information. It is obvious that some reporters are very sharp and have friends at high levels. The information leaked and all I can say is that Adm. Osses announced his resignation to the president and the defense minister two months ago. I cannot tell you who will replace him yet, but it will be an officer with similar background and qualities.

[Mejia] Can you tell us his name?

[Menem] No, because we have a procedure to follow. The president will receive a proposal with a list of possible replacements. Only then will the president decide who will replace Osses.

[Majia] Regarding the purchase of U.S. planes. Is this part of a new Armed Forces policy?

[Menem] It is part of the Armed Forces reorganization. The planes will give us a better defense capability. They will improve our fire power and will allow us to eliminate many organizations that depend on the Armed Forces. The Armed Forces are very large for our present needs. They do not represent a good answer to Argentina's, or any other modern country's need. The planes are an element in the process of change in the country. I reiterate, the country is changing rapidly and the Armed Forces have to modernize with it to be of any use. [passage omitted]

[Miguel Angel Derrencoy of Colonia Radio] Regarding the return of Ambassador Juan Carlos Licastro to Peru, is there a change of attitude toward the current government of that brotherly country?

[Menem] No. Nothing has changed, on the contrary, we will continue with the measures that we implemented earlier. Thanks to this attitude the Peruvian Government is changing its proposals. It is slowly accepting OAS proposals for a quick return to a normal situation. At present the democratic system is crippled in Peru.

[Derrencoy] Do you have any new information about the attack on the Israeli Embassy? Is there any intelligence information on ETA [Basque Fatherland and Liberty] agents operating in the country?

[Menem] As you well know we have bilateral and multilateral agreements on terrorism. All related international organizations are involved, and not just looking for ETA activities in the country. In Montevideo, for instance, the security organizations dismantled a large ETA organization. These organizations are working not just in Argentina but in the entire continent, and particularly in South America. We do not have any evidence to indicate that ETA terrorists are active here.

The latest information about the Israeli Embassy is well known. Israel has allowed Argentine specialists and technicians to continue investigating the building.

[Derrencoy] Have any new international leads been uncovered?

[Menem] No, absolutely nothing.

[Laly Covar, not further identified] Regarding the arrest in Uruguay of presumed ETA guerrillas, Spanish officials came to Uruguay and admitted that these people might be seeking to establish bases in other Latin American countries, including Argentina. What can you tell us about these reports Mr. President?

[Menem] Argentine security organizations are studying those reports. We are alert to the possibility. We will not leave any corner free for individuals like those who cannot coexist in Spain and were arrested in Uruguay and France. Spanish security organizations did not find out about ETA plans in time, but French and Uruguayan security organizations did. Our security organizations will be on alert in case they decide to move to this area of the world. They will not come here because if they do they will be arrested immediately.

[Covar] How much did the scandals involving former Audiences Secretary Amira Yoma and Monzer Al-Kassar hurt your government?

[Menem] They did not hurt the government. The affair hurt former secretary Amira Yoma. The link cannot be presumed to have hurt the government, merely the public officials involved. These people were not part of the decision-making process. They were responsible for carrying out specific tasks for the government.

[Name indistinct of VCC Cable Television] There is a continuous informal dialogue on constitutional reforms and the media has reflected this concern. Many diplomats and entrepreneurs are expressing concern over what seems to be a government obsession—and I clarify, I am not saying it is a presidential obsession but a Justicialist Party and government official's obsession—regarding the presidential reelection. Have you been informed about the concerns over this obsession? Is the personality cult that this obsession reveals bad for the consolidation of our institutions?

[Menem] I do not think it is necessarily bad. Some people also obsessively oppose constitutional reform. Some of these groups have participated in previous constitutional reform processes. Some of them have participated in constitutional reform processes in the provinces. I heard Cordoba Governor Eduardo Angeloz saying that he will wait for the party to decide on the issue of constitutional reform. But he did not wait for the party to decide when Cordoba's congress discussed constitutional reforms to include his reelection. I think some people want to play it both ways according to their personal interests. I am totally unconcerned about constitutional reforms. Some people in the Justicialist Party are obsessively in favor of constitutional reform and some government officials are obsessively against it. That is their problem. I am only interested—and I do not want to keep repeating myself on this topic—in governing and administering our national interests. That is what I was elected for. One of those continuously talking about the issue is Deputy Jorge Vanossi, the well-known constitutional expert. He keeps saying the same thing: We always supported constitutional reform, but during the Radical Party administration Raul Alfonsín renounced the possibility of his reelection. Vanossi forgets, however, that the Radical Party proposal included the figure of a prime minister and Alfonsín did not renounce the idea of becoming prime minister. In a parliamentary system the prime minister has more powers than the president, who becomes just a figurehead. [passage omitted]

[Maria Luisa McKay, not further identified] Will the government take any political stand beyond the administrative measures it will implement, or has implemented, regarding identity documents granted to many questionable people? It is known that those irregular activities occurred mostly during the past two years and that there are serious repercussions in countries such as the United States which is particularly worried about international drug trafficking.

[Menem] Let us begin by saying that drug trafficking here in Argentina is minimal. Drug trafficking practically does not exist in the country, even though perhaps it is used as a transit for drugs. Puentes Patino has a U.S. passport, he was only able to get residency here. This process does not even involve the federal police. It is

carried out at the Immigrations Directorate. The government has intervened the directorate and opened an inquiry because irregularities have been occurring for many years.

Officials charge a fee for processing documents like passports or residencies to citizens of Korea, Taiwan, and other parts of the world. This has been one of the important sources of corruption in Argentina. This government has decided to fully investigate the problem. No other government did what we are doing. We have intervened this directorate and we will be alert to investigate all kinds of reports on the issue. [passage omitted]

Diplomatic Relations To Be Normalized With Peru

PA2305043792 Lima Global de Television Network
in Spanish 0100 GMT 23 May 92

[Text] Julian Licastro, Argentine ambassador to Peru, announced in Buenos Aires that Argentina will not only normalize its diplomatic relations with Peru but it will also increase the levels of bilateral cooperation.

Licastro, who was recalled by his government on 5 April, will return to Lima the week beginning 24 May.

Bolivia

Government To Grant Salary Increase to Military

PY2605134492 La Paz Television Boliviana Network
in Spanish 0200 GMT 26 May 92

[Text] The Armed Forces will receive a 12-percent salary increase as of the end of May. The increase will be paid as it was to other sectors: 12 percent retroactive to January.

Defense Minister Rear Admiral Alberto Saenz Klinsky said:

[Begin Saenz recording] We have funds to pay for January and February, but to pay March and April, we will have to ask the Finance Ministry for the resources to pay the retroactive pay. We have paid normal salaries for these months but, as the increase is retroactive, we will have to pay.... [pauses]

Congress still has to approve this payment. I am sure Congress and the members of the respective committees will approve this increase, not just for the Armed Forces but for other groups as well that have also requested an increase—such as the salary increase that has already been agreed upon for teachers, for example. [end recording]

Debts Reduced With France, Belgium, Austria

PY2505140792 Cochabamba LOS TIEMPOS
in Spanish 16 May 92 p B7

[Text] La Paz, 15 May (LOS TIEMPOS)—The results of the meeting on the Bolivian foreign debt negotiation

agreed upon by the Paris Club on 24 January were made public on 14 May during the first round of talks with France, Belgium, and Austria.

At the end of the meetings, France approved \$10.22 million, and a similar figure was reprogrammed over a 23-year period with a six-year grace period, after France decided to accept the so-called Trinidad Treatment. This agreement establishes that 50 percent of the principal and interest to fall due between 1 January 1992 and 30 June 1993, as well as the debts renegotiated by the Paris Club I and II, will be approved by creditor countries (Germany, France, the Netherlands, and Great Britain). The remaining 50 percent will be reprogrammed over a 23-year period with a six-year grace period, including the market interest rates.

The debt owed to France totals \$20.44 million with a 2.68 percent annual interest rate on the debt granted from government to government, including charges and commissions.

A debt of \$0.68 million was consolidated and reprogrammed to be repaid in 36 consecutive installments every six months. The first installment will be paid on 1 July 2005 and the last one on 1 January 2023.

The commercial debt will be repaid in 34 consecutive and equal installments. The first payment will be made on 1 July 1999 and the last on 1 January 2016.

As for its debt with Belgium, which totals \$30.80 million, Bolivia agreed to pay the capital in 46 consecutive installments every six months. The first payment will be made on 1 January 1993 and the last one on 1 July 2015.

Also proposed was the inclusion of a clause on a possible cooperation agreement to approve approximately 200 million francs in local currency for the Peasant Development Fund, similar to that agreed upon during the Paris Club III meeting.

Concerning the \$24.49 million debt owed to Austria, the Bolivian delegation obtained a market rate of 2.3978 percent per year effective until 30 September 1992, which will reduce the Bolivian debt by 50 percent.

As of this date there is a floating market rate and consequently the reduced rate will be known later.

The Austrian Government agreed to study a proposal to conduct operations on debt swaps.

New 'Community and Democracy' Party Founded

PY2505181492 La Paz Television Boliviana Network
in Spanish 1700 GMT 25 May 92

[Text] A new political party was officially founded today in the annex building of the National Congress. It is called Community and Democracy [Comunidad y Democracia]. Carlos Calvo, former president of the Bolivian Private Businessmen Confederation and a former ADN [Nationalist Democratic Action] member,

read the declaration of principles of this new party which, he said, will respect a new internal democracy.

[Begin Calvo recording] A new political force is being born today: Community and Democracy. It is being created as a new hope for change. Here we have present delegations from the nine Bolivian departments. In humility, but with total commitment, we will uphold our goal of freedom. This force, Community and Democracy, is being organized not around personalities, but around ideas. [end recording]

Brazil

President Addresses Nation on Family Scandal

PY2605164492 Rio de Janeiro Rede Globo Television in Portuguese 1555 GMT 26 May 92

[Address to the nation by President Fernando Collor de Mello from Planalto Palace—recorded]

[Text] Fellow countrymen, in the name of my family and myself I today ask you to pardon the distress resulting from the foolish and false statements made by my brother Pedro to the media last weekend. His statements contain charges that justly deserve total clarification to the Brazilian people. The people elected me as president of the Republic to be the supreme magistrate of the nation at all times and in any situation, especially in the most difficult ones. This means that it is my duty to always ensure respect for the law, and to defend the institutions and the higher interests of society.

For this reason I have ordered the justice minister to open a police investigation to completely uncover the truth. I have ordered the justice and the economy ministers to examine all charges, denunciations, and documents that may turn up, and that the pertinent agencies of their ministries engage, with complete openness, in the deepest and most complete investigation of all matters and allegations in this case.

As a result of the false and foolish charges raised against me, I have also requested the court to file legal action against my brother Pedro for the slander he has caused.

I have thought a great deal, my dear fellow countrymen, before making these decisions, but I have reached the conclusion that no matter how painful it may be for my family and me, I cannot leave the country without answers, without completely revealing the truth. As president of the Republic, the personal side of matters must be sacrificed because Brazil comes first and above everything.

We are living in democracy, and in democracy truth and the law always prevail. It is at moments like this when the people can understand the value of freedom. But to be free, my dear fellow countrymen, it also requires responsibility. It is necessary that each citizen faces his share of responsibility. The people must reflect before accusing. The media must check the reliability of its

sources before publishing. Society must wait for a final court decision before condemning. These are essential requisites for respect for mankind and its most basic rights, which become increasingly important when the basic institutions of the country are threatened. The vote of the majority of the Brazilian people has made me the guardian of these institutions which are above me, my family, and even my suffering and pain.

But right now I want to send the Brazilian people a message of calm and confidence. I was elected because the people saw in me a man committed to change, capable of facing adversity and of leading the country on its way to its great destiny. I have always, even faced with the most difficult obstacles, been faithful to this commitment. I was entrusted with a mission and I will comply with it. I am absolutely sure we are on the right path and that, with a great deal of work and faith, we can build a nation in which prosperity, fairness, and solidarity will prevail. For this task, I am sure, God will continue helping us.

Ministers Voice Support

PY2705005092 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 May 92 p 7

[Text] The military ministers, the first to arrive at Planalto Palace in Brasilia, voiced their support for President Fernando Collor, and believe that the charges made by his youngest brother, Pedro Collor, are serious but that they will not disrupt institutional order. Although they admit that these charges will harm the president's image, the ministers, except for the EMFA [Armed Forces General Staff] chief, General Antonio Luiz da Rocha Veneu, who was out of Brasilia, tried to downplay the episode's importance and recalled that Collor was elected by the people and that his mandate must be respected.

One of the generals who spoke to ESTADO AGENCY said the incident was a "typical family problem" with groundless charges. Moreover, the consulted ministers said the developments had been expected and this is why the president was able to react immediately to his brother's charges by ordering an investigation. The Armed Force's commanders noted and praised the president's decision "to immediately give the nation an explanation."

The same as Collor, the military ministers do not believe these charges will lead to "impeachment" [preceding word in English]. Although they are concerned, they chose to believe that the Brazilian institutions are mature enough to overcome this problem without reaching a serious institutional crisis.

In Rio, Military Club President General Nilton Cerqueira fears that Pedro's charges may harm the development of Rio-92 [UN Conference on the Environment and Development]. Cerqueira said that "these are extremely serious charges for the country," also referring to the comments on the president's past. "They will have

a negative repercussion in all areas of society, inside and outside Brazil, at a difficult moment for the country, which is experiencing a serious social, financial, political, and juridical problems."

Newton Cruz, general in the reserve who is waiting to be tried on charges of killing journalist Alexandro von Baungarten, has termed "inopportune" the charges made by the brother of the president of the Republic against Collor, as well as those against businessman Paulo Cesar Farias, aka PC. Cruz asserted that they "increase the lack of credibility in the government," and recalled that the country is enduring a serious economic crisis that requires a lot of stability in order to overcome it. "What I would like to know is: Did not Pedro Collor vote for his brother to become president? Has he only now discovered his brother's faults?"

Police Begin Investigation

PY2605172092 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 26 May 92

[Text] Federal Police Director General Amaury Galdino has already begun the investigation into the charges that were made by businessman Pedro Collor de Mello against his brother, the president. The Federal Revenue Department and the Central Bank will assist with the investigation.

During this meeting the Federal Revenue Department and the Central Bank committed themselves to cooperate with the Federal Police. Subject to court approval, bank secrecy regulations may be waived for anyone accused in the charges.

The Federal Police investigation formally began today and should be completed, initially, within 30 days.

Police Delegate Paulo Lacerda, who is conducting the investigation, is the chief of the Federal Police Department of Juridical Coordination, which helps delegates in difficult cases.

Lacerda has participated in major investigations, such as those involving former Ministers Antonio Magri and Alcení Guerra, and the charges of irregularities at the Brazilian Legion of Assistance during the administration of First Lady Rosane Collor.

Justice Minister Celio Borja instructed the Federal Police on how to perform the investigation: the work must be performed as discreetly as possible and no interviews will be granted. All information gathered by the Federal Police will be passed on to the justice minister, who will decide whether or not they should be made public.

President Collor's brother Pedro Collor will be the first person to be questioned during the investigation by the Federal Police. We have a live relay from Brasilia by correspondent Alexandre Garcia:

[Begin Garcia recording] The Federal Police are now contacting Pedro Collor's lawyer in Sao Paulo to set a date for questioning his client as soon as possible. At the latest, it will not be later than this week. He will be asked to present evidence on the charges he has leveled.

The president's request for legal action against his brother and the attorney general's request for an investigation have been merged into a single police investigation.

Police delegate Paulo Lacerda is reading all the interviews, charges, and reportage on the preparation of the questions that he will ask of Pedro Collor. [end recording]

Pedro Collor today traveled to Sao Paulo, where this afternoon he will pick up the results of the mental health tests that he underwent last week.

Accompanied by his wife (Maria Theresa) and his bodyguards, Pedro Collor arrived in Sao Paulo shortly before 1100. To avoid reporters, the president's brother left in an airport van.

He came directly to the hotel where he usually stays when he comes to Sao Paulo. [recorded passage indistinct]

Brother Removed From Business

PY2705015692 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 May 92 p 5

[Excerpt] Maceio—Yesterday President Fernando Collor's younger brother, Pedro Collor de Mello, accused businessman Paulo Cesar Farias, aka PC, of having offered him \$50 million not to disseminate the cassette containing charges against him and the president. Pedro said: "I did not accept because my cause has no price."

Since yesterday, Pedro Collor no longer belongs to the management staff of the Arnon de Mello Organization in Alagoas. This organization soon will be managed once again by President Fernando Collor through the appointment of a reliable person. Yesterday morning, Executive Director Luciano Goes and Jose Barbosa, Leda Collor's legal representative before the business management, informed Pedro Collor of his mother's decision, who up to last week said that her youngest son was only out of the business temporarily. Attorney Ulysses Marinho arrived in Maceio last night to change the partnership contract, from which Pedro's name will be excluded.

According to Pedro, his mother agreed to exclude him from the business "because Fernando assured her that, in exchange for my exclusion, he would get Paulo Cesar Farias to refrain from publishing his newspaper and setting up a media organization in Alagoas that would compete with the Gazeta group," which belongs to the Collor family. For the time being, Goes and Barbosa continue to head the enterprise, but as soon as the court passes a decision on the dispute between the Collor brothers, all the enterprise directors associated with

Pedro will leave their posts to make room for a team selected by Collor, although his mother is officially in charge. [passage omitted]

Scandal Affects Stock Market

PY2705020692 *Sao Paulo O ESTADO DE SAO PAULO* in Portuguese 26 May 92 Economic Section p 1

[Excerpt] Yesterday the financial market experienced one of the busiest days of the year due to the charges President Fernando Collor's brother Pedro made against the treasurer of Fernando's presidential campaign, Paulo Cesar Farias, aka PC. The Sao Paulo Stock Exchange index dropped 8.17 percent while the price of gold increased 4 percent. The situation only slowed in the afternoon when the Central Bank announced the auctioning in the market of the floating dollar (rate for tourism purposes) in order to reduce the price of the black market dollar, which had increased 2.42 percent. By the end of the day, gold increased 2.75 percent. The Sao Paulo Stock Exchange closed 7.4 percent lower—the largest drop this year, and the Rio de Janeiro Stock Exchange experienced a drop of 5.88 percent.

In Brasilia, Economy Minister Marcilio Marques Moreira spoke to radio reporters in the morning in an attempt to appease the financial market. He disclosed the measures adopted by President Collor to investigate the charges against PC and asserted: "The economic team continues its activities normally, without any changes."

The Central Bank's management also tried to dissipate the tense atmosphere that prevailed in the financial market. Central Bank President Francisco Gros, through his press secretary, announced that the financial markets were much more stable yesterday than on 22 May. Not even the drop of quotations in the stock markets was considered a symptom that the country is concerned about the fate of Collor's government and the economy. [passage omitted]

Meeting on Enterprises, Environment Concludes

PY2705020092 *Brasilia Voz do Brasil Network* in Portuguese 2200 GMT 26 May 92

[Report by Mayr Lucy Vilela in Rio de Janeiro]

[Text] There has been another meeting in association with the international meeting on environment and development: It was the International Seminar on Enterprises and Environment.

After two days of debates, entrepreneurs and environmental experts reached the conclusion that small- and medium-sized enterprises must be more involved in the sustainable development process.

Lindolfo Paollielo, coordinator of the International Seminar on Enterprises and Environment, said that it does

not help much to work with the large enterprises if small- and medium-sized enterprises, which represent 80 percent of the market, remain outside the process.

[Begin Paollielo recording] It must be shown to the small and medium entrepreneurs that they will profit by implementing a sustainable development process. Entrepreneurs naturally understand only results; that is all they seek. [end recording]

To involve the small and medium entrepreneurs in the process, the seminar coordinator explained that it is necessary to conduct an intensive propaganda and awareness campaign. Lindolfo Paollielo is the International Public Relations Association representative to Brazil. He said the association is trying to achieve this goal worldwide, but expects the movement to be strengthened by the UN Conference on Environment and Development [UNCED].

The studies that show the need to obtain the participation of small- and medium-sized enterprises in a sustainable development process that will be handed to Minister Carlos Garcia, who is the coordinator of the UNCED national working group.

Chile

Concern Over Free-Trade Talks With U.S. Noted

PY2605140292 *Santiago Radio Chilena Network* in Spanish 1100 GMT 26 May 92

[Text] Several environmental conservation institutions have emphasized that the signing of a free-trade treaty with the United States, following the guidelines of President Bush's Americas Initiative, could be a threat to the well-being of the Chilean people.

Political Ecology Institute Director (Manuel Baquedano) has said that any agreement of that type entails major changes in the legal and economic structure of a country, adding that the social and ecological consequences will affect millions of Chileans.

(Baquedano) said that he will begin a campaign to gather signatures to demand the democratization of the negotiations with the United States, seeking to publicize the social and ecological consequences.

This position is shared by the Promotion and Exchange of Educational and Technological Resources Group, the Regional Socioeconomic Research Program, and the Chilean Society for Economic Policy.

New Rebel Group Formed 'To Help' Shining Path

PY2605014892 *Madrid EFE* in Spanish 2234 GMT 24 May 92

[Text] Santiago, 24 May (EFE)—It has been learned on 24 May that a new subversive group has appeared in northern Chile which has issued an extortion letter demanding that businessmen of the Iquique Free Zone

pay a "revolutionary tax" amounting to two million pesos (approximately \$6,000).

The charges were made by National Renewal Party Senator Julio Lagos, who said that the new group, which seemingly centers its activities in northern Chile, calls itself the Revolutionary Guerrilla Coordinating Board for Free America [Coordinadora Guerrillera Revolucionaria para America Libre].

According to Lagos, the communique sent to businessmen of the Iquique Free Zone, 1,857 km north of Santiago, warns them that if they do not obey, their businesses will be destroyed.

The note mentions that the money will be used to help the Shining Path and adds that some Shining Path members are currently in Chile under the Coordinating Board's protection.

Iquique police sources have questioned the legitimacy of the communique, noting that the language is uncharacteristic of a subversive group and that it seems more like something written by a joker or crackpot.

According to the alleged subversive group's communique, this movement carries out its operations in northern Chile and belongs to [word indistinct] unknown organizations up to now, except for the dismantled America Battalion [Batallon America], which was made up of Colombian, Ecuadoran, and Panamanian groups, most of which have given up arms and have become legal groups in their countries.

The note and the charges made by Senator Lagos have caused unrest in the Iquique free zone, where some 1,000 businessmen work.

Army Purchases Israeli-Made MAPATS Missiles

PY2605152892 Santiago EL MERCURIO
in Spanish 16 May 92 p C7

[Excerpt] The Army has exhibited for the first time—during a military parade—the sophisticated MAPATS [expansion unknown] missiles and launching pads that have been purchased from Israel for the infantry and motorized artillery forces.

The exhibit took place yesterday during the anniversary of the creation of the War Materiel Service [Servicio de Material de Guerra], which is headed by Brigadier General Florencio Tejos.

The ceremony was chaired by Lieutenant General Jorge Lucar Figueroa, the Army deputy commander in chief, who said that the purchase of this sophisticated materiel does not mean that our country is engaged in an arms race in the Southern Cone.

The MAPATS missiles are manufactured by Israel and are mounted on Comand Car [as published] vehicles that were also purchased from Israel. The vehicles also participated in a parade at the end of the ceremony.

The anti-armor missiles have a maximum range of 5 km and are guided by a laser system. The Army did not elaborate on the number of missiles or the total amount involved in the purchase. [passage omitted]

* Krauss Calls Drug Trafficking 'Potential Risk'

92WD0638Z Santiago EL MERCURIO in Spanish
19 Apr 92 p C2

[Article: "Government Reiterates Concern Over Drug Consumption"]

[Text] The government reiterated its concern over drug trafficking in this country.

In this regard, Interior Minister Enrique Krauss referred to the importance of the operations being carried out by the National Police and the Department of Investigations. These operations have resulted in the detention of numerous Chilean and international traffickers and the seizure of large quantities of drugs.

He said that the success of the operations that have resulted in the detention of international traffickers "are but the reiteration of other positive and successful performances by the institutional law-enforcement agencies."

The minister mentioned that President of the Republic Patricio Aylwin sent a bill to the legislature a few days ago related to drug trafficking.

The bill is now being studied by an ad hoc committee that has been appointed by the House of Deputies, and the government hopes, Krauss said, "that the members of Congress will add their input and provide us with a juridical instrument that not only covers the country's traditional norms, but also updates them in keeping with the international agreements to which we are a party."

The interior minister stated that there are no signs of a significant increase in drug trafficking within the country. On the contrary, he said, police action is producing improved results.

At any rate, he said, consumption levels "have not been weighed objectively until now, except by a survey made for the account of the Interior Ministry, which served as a basis for drawing up the bill that is now pending."

Krauss added that indicators used to evaluate possible increases in drug trafficking do not point, in the government's view, to a high-risk situation, but rather to a potential risk stemming from what is occurring throughout Latin America.

In this regard, he said that the rise in drug activities in other nations on the continent signifies that Chile, which has always been a transit country, might eventually experience a significant increase in such transit operations. "Although signs in this respect are not such as to indicate a concrete threat, but simply a potential threat,

they have been a source of concern to the law-enforcement institutions, the government, and all its agencies from the outset."

Colombia

Army Reports Uraba Region 'Under Control'

PA2705042492 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 2300 GMT 26 May 92

[Text] Fighting between soldiers and guerrillas that has resulted in over 60 deaths since 22 May is on the wane today in Antioquia Department's Uraba region. Meanwhile, Defense Minister Rafael Pardo denied that the Red Cross presence in the Dabeiba Region constitutes an acknowledgment by the government that a state of internal confrontation exists. The bodies of six [as heard] more guerrillas were found in Dabeiba.

Although sporadic explosions can be heard in Dabeiba's hills, the Army, which received reinforcements, said the situation is totally under control. Even so, four days following the outbreak of violence, the guerrillas continue fighting as they withdraw. Seized by fear and pain, area residents spent their day watching the combat wind down.

[Begin recording] [First unidentified resident] We are worried. We are afraid that the guerrillas may come and attack us.

[Second unidentified resident] We are sad because if they come they will destroy the town. We are also sad because we work hard to receive such a little amount of food to feed our starving children. [end recording]

It is believed that over 300 guerrillas tried to gain control of Dabeiba. The Army foiled that effort but lost over 12 men in the process.

[Begin recording of Colonel Alvaro Plata] The only thing that has changed so far is that we found the bodies of eight more criminals at the site where the fighting took place. The soldiers who were missing turned up in Dabeiba. Only one soldier is missing, and we expect he will turn up later on. [end recording]

At least 14 guerrillas were killed, the bodies of eight of them were found this morning at the Alto Bonito area. The people are beginning to doubt their commitment to peace.

* Structure of Paramilitary Groups Described

92SM0395A Santa Fe de Bogota EL TIEMPO
in Spanish 16 Apr 92 p 8A

[Article by Miller Rubio Orjuela: "Paramilitary Groups: 7,000 Men Out of Control"]

[Text] Paramilitary groups continue to contribute their share to the general picture of violence in Colombia. In

the course of the past three months, they have slaughtered 81 persons in 16 different massacres.

These figures have emerged from an investigation of the phenomenon of paramilitarism conducted by a government security agency whose task it is to analyze the current thrust of such organizations in our country.

The report, to which EL TIEMPO has gained access, states that during the past two years, what started out as peasant self-defense groups in Magdalena Medio in 1979 have gradually turned into paramilitary organizations and so-called "private justice" bands.

The change partly stemmed from the murder of its main leaders, internal splits that occurred in 1991, and the control that drug trafficking still exerts over certain groups.

Analysts maintain that 28 paramilitary organizations with some 7,000 armed men are now operating in an isolated fashion in 16 departments of Colombia.

The document goes on to state that these networks enjoy local power in their own spheres of influence and are financed by drug traffickers, cattle ranchers, peasants, and even foreigners.

The analysis of the phenomenon of paramilitarism states that the loss of the original identity as a response to terrorist aggression began with the Medellin Cartel's penetration of its structure between 1987 and 1990.

It is for that reason, researchers say, that there is no longer any distinction between self-defense and paramilitary groups because "they are both affiliated with a type of mercenary whose services can be hired by the highest bidder."

Out of Control

Studies done by analysts state that the scattering of the groups and their subsequent isolation began with the murder of Henry de Jesus Perez and the attempt to tear the movement away from control exercised by the drug cartels.

From then on, experts say, three different factions emerged: groups seeking to go back to the ideology that initially inspired the movement, others still connected with drug trafficking, and sectors that prefer disarmament.

Nevertheless, intelligence services have detected differences between the groups and attribute them to the crime involving Puerto Boyaca Mayor Gustavo Londono Castillo, who was trying to unify organizations operating in Magdalena Medio.

Despite the lack of control and the isolation characterizing their action in the country, the groups have managed to keep their military structure intact. This is true, for example, of the fronts operating in Magdalena Medio.

Based on information supplied by Luis Antonio Meneses Baez, who was murdered on 10 January, experts have established the existence of a staff in the zone comprised of seven leaders in charge of military affairs, politics, logistics, training, communications, intelligence, and transportation.

This organization controls the "zonal self-defense boards" whose task it is to channel 10 percent of all contributions collected in their areas of influence to the staff.

Analysts maintain that for every armed front there is a vigilance committee made up of a president, secretary, and treasurer. These committees form a bridge between the war fronts and property owners and peasants.

Their function is specifically confined to collecting money, mass organization, and the promotion of health squads for the people.

Foreign Support

The expansion of these groups, which researchers attribute to the influence of drug trafficking, has led to the creation of new organizations during the past two years.

Intelligence information indicates that during this period of time, officials have detected such groups as the Ariel Otero Commando in Bucaramanga, Ata Rojo in Tolima, the Vampires and Vigilance Committee in Huila, the Revolutionary Farm Workers Front in Huila, and the Urdinolas in the Valley.

The analysis also points to a new phenomenon detected in North Santander, where a paramilitary organization is emerging that is subsidized by Venezuelan ranchers and merchants who live near the border and are harassed by guerrilla activities.

The document states that if these groups continue to expand, the phenomenon could spread to urban centers. They say that Usme Self-Defense is active near Bogota.

The organizations' identity crisis, the report says, has generated situations such as those detected in Cauca, where paramilitary and guerrilla groups have formed an alliance for the purpose of controlling poppy crops.

Experts maintain that the influence of drug trafficking is still a predominant factor in the structure of paramilitary groups. Analyses indicate that the areas of the country where an alliance generally exists between paramilitary organizations and drug traffickers are Valle, Guaviare, Caqueta, Antioquia, and one area of Cauca.

[Box, p 8A]

Where Are They?

Information that "Ariel Otero" supplied to intelligence services before his death indicate that the war fronts of the paramilitary groups are found in La Guajira, Bolivar,

Cesar, Sucre, Cordoba, Antioquia, Santander, Casanare, Norte de Santander, Tolima, Boyaca, Cundinamarca, Quindio, Risaralda, Caqueta, Huila, and Putumayo.

According to the document, organization members receive an average pay of 100,000 to 150,000 pesos a month, pay that comes from the proceeds of robberies staged at the request of other criminal organizations, the cooperation of cattle ranchers and peasants, groups of traffickers, and the earnings of ranches under their control.

As far as the training centers run by 19 British and Israeli mercenaries from 1987 to 1989 are concerned, it is a known fact that they are located in jungle areas to which access is difficult and where complex intelligence networks and special observation groups operate.

A few of these centers have been identified: Cero Uno at Kilometer Marker 9 on the Puerto Boyaca-Zambito road; Playa Rica, between Puerto Boyaca and Cimitarra; Galaxias, in Pacho; La Azulita, in the San Miguel River area of Putumayo; and Cero 81, in the immediate vicinity of Palagua Swamp in Puerto Boyaca.

However, security organizations have information about three new training centers in Granada and Vista Hermosa (Meta), San Jose del Guaviare (Guaviare), and Puerto Escondido (Cordoba).

Ecuador

Government Promulgates New Monetary, Bank Law

PA2205154992 Quito Voz de Los Andes in Spanish
2300 GMT 21 May 92

[Text] The social democratic government of Ecuador has promulgated, less than three months before the conclusion of its term, a law that liberalizes and facilitates bureaucratic mechanisms to manage the economy.

The so-called Monetary System and State Bank Law was published by the government in the official newspaper after a lengthy public debate on its contents and fierce confrontations with the Congress, which rejected it twice. The law was promulgated despite the opposition of a majority group in Congress; it was published on 7 May in a supplement of the official newspaper, which began to circulate a few days ago. According to a private publication, ANALISIS SEMANAL, the main goals sought by the new law are to give financial authorities some independence from the government and interest groups, as well as to minimize the Central Bank's role as money lender—a role which was given so much importance in the 1970's.

The government said the new law establishes clear mechanisms to coordinate monetary and fiscal policies. It establishes very clear limits concerning the printing of money, especially if it is intended to fulfill the public sector's and the government's needs. Moreover, the law establishes autonomy for the adoption of policies and

independence for the management of the Central Bank and the Monetary Board, which are in charge of establishing the government's monetary, financial, credit, and foreign exchange policies. The Central Bank is divested of several functions it accumulated in recent years and it will remain as a technical and autonomous entity in charge of implementing monetary, financial, credit, and foreign exchange policies.

The law creates the state bank to finance programs, plans, works, and official services. It will be the trustee of public funds and custodian of the government's revenues, and it will also render banking and financial services. The government will establish the Central Bank's capital through a decree that will be issued in six months. Its ownership will be an exclusive and untransferable right of the state, and the State Bank's capital will be the equivalent of \$207 million in shares that will be in the hands of the state and regional and development organizations. A parliamentary initiative to convene Congress and review the government's decision to enforce the new economic law was shelved on 18 May after learning about the conservative party's victory in the 17 May general elections.

Congress, controlled by the opposition, postponed and rejected an analysis of the law on two occasions, and President Rodrigo Borja accused members of the Congress of being a bunch of bums. Congress then asked the Supreme Court to try the president for alleged insults.

Foreign Minister Discusses Banana Trade Talks

PA2705011692 Quito Voz de Los Andes in Spanish
1130 GMT 26 May 92

[Text] Foreign Minister Diego Cordovez has said it is necessary to exert political pressure on the EC countries in order to obtain positive results in marketing bananas from Latin America. The EC has no interest in sidelining Latin America from the banana market; it wants to make the system more efficient, the foreign minister said. In addition, he denied that talks between Central American presidents and EC representatives have failed.

[Begin Cordovez recording] This week, I am going to have the opportunity to elevate this topic to a political level—the level at which I believe it should be discussed—at a meeting of the Rio Group and EC foreign ministers in Santiago, Chile. These are definitely the people who will make a decision in this matter. Therefore, we have to continue these efforts. We have to continue exerting political pressure. The EC has begun a dialogue with Latin America that we consider to be very important. The dialogue began in Rome and continued in Luxembourg, and now it will take place in Latin America for the first time.

The participants attach political importance to this dialogue. Of course, this is a topic that could have adverse effects or produce problems. Consequently, I am sure

they will try to prevent a breakdown in the dialogue and in relations between the EC and the Latin American countries. [end recording]

The foreign minister emphasized that the Ecuadorian Government has been one of the governments most concerned about the dialogue with the EC on banana marketing.

[Begin Cordovez recording] The president of the republic named a representative, his minister of agriculture, as his personal representative to accompany the heads of state [Central American presidents who visited the EC] in their endeavor. President Borja provided the minister with credentials as the president's personal representative to the heads of state who were visited; this demonstrated Borja's solidarity with the effort that was being made.

Therefore, we have spared no steps or efforts to solve this problem. As was said, it is a problem that poses great difficulties, not only to us, but also to the EC. Consequently, it is a complex problem that will require great persistence. The battle has not been lost just because the people who made the proposal have explained their reasons for doing so. We have to continue these efforts in the hope that they will be successful, not only because it is of basic importance to our country in view of the large number of people who depend on the marketing of bananas. [sentence as heard] [end recording]

Foreign Ministry Issues Report on Amazon Basin

PA2605234192 Quito Voz de Los Andes in Spanish
2300 GMT 25 May 92

[Text] According to a special report published on 25 May, the Amazon Basin is a paradise in danger of extinction. Its slow and silent agony is a threat to man's survival, and as such it requires immediate attention.

The document entitled "The Amazon Basin Without Myths" was issued by the Ecuadorian Foreign Affairs Ministry. It states that, according to conservative figures, \$10 billion a year are required to protect and regenerate Amazon Basin ecosystems.

The report is part of the preparations for the upcoming Earth Summit in Brazil. It states that countries of the regions should be compensated at a fair price for use of the basin's considerable resources.

The document, which is aimed at discrediting false theories about the subregion, was drafted by the Inter-American Development Bank, the UN Development Program, and the Amazonian Cooperation Treaty.

The data presented in the report is horrifying. Six species disappear each hour as a result of the mass destruction of tropical forests. Five million hectares are destroyed each year. Entire tribes have been wiped out in the 1990's alone. The report says that the developed world is polluting the water and air, warming the atmosphere, depleting the ozone layer, and threatening to cause a

nuclear holocaust, but it still has not found a solution for social injustice or chronic poverty.

According to the document, which was presented by Foreign Affairs Minister Diego Cordovez and Mario Halfman, the United Nation's local representative, the salvation of the Amazon Basin cannot be a colossal endeavor undertaken solely by indigenous inhabitants, but all mankind must make the effort its immediate crusade.

The Amazon Basin covers 7 percent of the world's surface. It has the largest tropical rain forest, is home to more than half of the flora and fauna species on earth, and holds 15 to 20 percent of the world's fresh water reserves. The Amazon River supplies 15.5 percent of the fresh water that pours into oceans through a labyrinth of tributaries, lakes, channels, and rivers.

In addition to demanding compensation for use of the Amazon Basin's resources, the report recommends establishing taxes on gas emissions that contribute to global warming and giving fair bonuses for the proper use of area assets and facilities.

The report also states that it is necessary to allocate new resources on an unprecedented scale to achieve the desired results in the basin. It also states that the countries of the region need specific aid, not a mere palliative, to solve their foreign debt problems. Delays in solving those problems increase the pressure on the Amazon's resources.

Peru

Minister Bolona Explains Economic Policies

PY2605175592 Lima LA REPUBLICA
in Spanish 17 May 92 pp 7, 8, 9

[Interview with Economy and Finance Minister Carlos Bolona by Vidal Silva Navarrete; place and date not given]

[Excerpts] [Silva] The dollar exchange rate "shot up" in the past few days forcing the government to intervene. Is the government trying to slow down the rise in the foreign exchange rate?

[Bolona] The government is not trying to control the foreign exchange. There are other reasons for the increase such as the purchase of dollars to cover Certificates for Time of Service [Certificados por Tiempo de Servicios], the lack of liquidity in the financial system, the dollar scarcity in the market, the purchase of dollars to cover withholdings, and the fact that the Central Reserve Bank has begun playing a more active role in the economy.

[Silva] Why not attribute it to political factors such as the 5 April "self-inflicted coup"?

[Bolona] The effect of the 5 April events on the economy should have been felt in the first two weeks after 5 April, should it not? Several economic factors are present, but we cannot deny that political uncertainty can also generate pressure.

[Silva] Has the short-term foreign capital flow stopped or slowed down?

[Bolona] The short-term foreign capital flow has obviously slowed down. We will have to wait until the results of political developments become clearer.

[Silva] Is the present dollar exchange rate adequate and the sol devaluation rate correct?

[Bolona] During April and May we tried to close the gap between the dollar exchange rate and our inflation rate. We were successful in April and we expect something similar or better in May. We want to close the gap within the year.

[Silva] Didn't the government overreact when trying to control the dollar exchange rate over the past few days?

[Bolona] We have enough foreign exchange reserves to intervene in the foreign exchange market. The issue is not whether we overreacted or not, but whether we are able to close the gap and whether we intervened at the most appropriate moment. [passage omitted]

[Silva] Will the negotiations on the short-term private foreign debt put new pressure on the foreign exchange rate?

[Bolona] No, because the Debt Committee has to approve it and will act on any pressure. Short-term papers total \$815 million, but only \$8 million are private sector debts. This amount will not pressure the balance of payments, not even the \$165 million owed by associated banks because banks do not have the capacity to purchase that many papers.

[Silva] Why then does the government include the associated banks in this operation?

[Bolona] Banks were included to help the privatization of the Bolivian Popular Bank. The Continental Bank and Interbanc had to purchase at least \$15 million in papers from the Bolivian Popular Bank to help sell it. The report questioning the operation was conducted with a lot of imagination and political intent.

[Silva] Can Peru survive a year without foreign support?

[Bolona] We have to minimize the effects of the suspension of foreign support. We should try to reduce the suspension period or even eliminate it. It is not a matter of saying how long we can survive with or without foreign support. No one can live isolated from the financial system. To say that we can do so is a delusion. We saw the result during the previous administration. We have to resolve our political problems first.

[Silva] But there is the risk of a significant reduction of foreign support until the country returns to a democratic system. Is Peru ready to face that situation? Under what conditions?

[Bolona] There are risks. Peru had a negative capital flow from August 1990 until December 1991. We were paying more than we were receiving. We have made a great effort, we have gone through difficult times because we implemented adjustments without foreign support. The problem here is to resolve the political situation. That is what we must do.

[Silva] In cabinet meetings you seem to be a minister willing to negotiate and compromise with the opposition. You appear to propose resolving the political crisis through a constituent assembly. Have you changed that position?

[Bolona] I think we have to look for political solutions to this because we will not get anywhere if we remain inflexible and avoid a dialogue. We must seek a political solution to this political problem, which is creating problems for the economic program.

[Silva] Will successful implementation of the economic program depend on the resolution of the political problem?

[Bolona] The economic program is moving more smoothly and in a more uniform manner. The resolution of the political situation will make it possible to implement an economic program with less adjustment, with less internal effort.

[Silva] Has the Support Group begun to collapse?

[Bolona] Much has already been received from the Support Group, especially interchangeable funds [monto fungible]. I am not concerned about Spain because this country has not provided any actual support. In fact, any country can grant bridge-loans from its reserves for a short period and at market interest. That is not actually support. Support entails granting concessional credits or donations. A good deal of cooperation from the Support Group was received this year.

[Silva] The Inter-American Development Bank will discontinue this year the provision of \$222 million for the financial reform, \$200 million for reconstruction of highways, and \$100 million for agriculture.

[Bolona] There is a good chance that we will receive the funds provided for by contracts that have already been signed, although there may be technical matters to be resolved. I don't think they will be politicized. New loans may be politicized, but the financial credit was delayed between November 1991 and March 1992 because of congressional proceedings and because of the situation in the development banking system. The new loans, however, have been suspended.

[Silva] Let me ask you specifically a political question: How do you feel being a minister in a dictatorial, nondemocratic government?

[Bolona] That is a good political question that calls for meditation. You begin working as a technician but you then realize that you are also in a political post. The point here is to try to solve the political problem, provide support, find formulas, and enter the political arena. I feel more comfortable if I talk about interest rates, exchange rate, and fiscal deficit, but here we have to formulate proposals for finding a political solution, and I am learning how to deal with such concepts. Only after I have learned about such concepts will it be possible for me to say whether the government is a dictatorship. Yet I believe that your question demands even more than that: it inquires about the action that a technician can undertake in order to solve political problems. [passage omitted]

[Silva] The overwhelming support that the business class has given to the economic program has begun to fade. This is a conclusion from the statements made by Mr. MacBride of Adex [Exporters Association], and by Mr. Vega Monteferrri of the National Industrial Society. Is the trading class against modernization?

[Bolona] I do not think we should refer to them like that. Mr. MacBride said that the exchange rate is a key factor for export profits. The exchange rate was ahead of the inflation rate in April and May. I think it is surprising that he should have criticized the economic program at a time when the variable about which he was complaining was moving in the correct direction. His criticism is outdated. He should have made it in March. [passage omitted]

[Silva] There is the impression that President Fujimori received the support of the Armed Forces because, among other things, he had to improve their meager salaries. Will he grant such improvement?

[Bolona] I have said that fiscal funds will reach 5.8 billion soles this year. If some people earn more, then others will have to earn less.

[Silva] Will budget reforms affect the support for social programs?

[Bolona] I believe social programs should receive stronger support and should become more dynamic, more executive.

[Silva] The Peruvian people had to endure 21 months of adjustment to improve their economy. How long will this sacrifice continue? When will the people see results?

[Bolona] The results are already in sight. The cost of adjustment policies was caused by the policies of the previous government. It is like blaming an illness on an operation. The operation is painful but it did not produce the illness; it will cure it. Unfortunately, it is easy to destroy an economy, but rebuilding it takes time.

[Silva] Much has been said about privatization but little has been done so far.

[Bolona] There are three privatization stages. Nothing was said about it from August 1990 to March 1991. The issue was timidly mentioned since March 1991, when a list of 20 enterprises—the poorest ones—was prepared. Only since November 1991 has the issue been openly considered, and people have become aware of it. The obstacles raised by the Comptroller General have already been overcome but there are other problems like evaluation. We will not sell anything if we have to evaluate even minor items like screws. [passage omitted]

Official Confirms Break in Relations With Panama

PA2605183692 Lima Radio Programas del Peru Network in Spanish 1800 GMT 26 May 92

[Text] Panama has suspended its diplomatic relations with Peru, citing the break in Peru's constitutional system and differences between the two governments over Panamanians who are in asylum in Lima.

A news dispatch reports that Jose Tenorio, first secretary of the Peruvian Embassy in Panama, was summoned on the morning of 26 May by Panamanian Foreign Minister Julio Linares, who informed him of the decision reached by President Guillermo Endara's administration. We contacted Minister [as heard] Tenorio.

[Begin recording] [Tenorio] Are you referring to the report of Panama's suspension of diplomatic relations with Peru?

[Announcer] That is exactly what I was referring to.

[Tenorio] It is true. This morning I was summoned by the foreign minister, who gave me a note in this regard.

[Announcer] It is confirmed, then? Mr. Minister, could you tell us the exact wording?

[Tenorio] The word they use is suspension: regretfully finds it necessary to suspend its diplomatic relations with the enlightened [ilustrado] Peruvian Government effective on this date.

It is based on a decree that has been incorporated into Panamanian law, which provides for adoption of the Betancourt Doctrine. That is what the note says.

[Announcer] What does suspension of relations at this time mean, Mr. Minister?

[Tenorio] It means that relations remain at the consular level, and that there will be no diplomatic contact as such. [end recording]

Government Deplores Decision

PA2705015392 Lima Global de Television Network in Spanish 0100 GMT 27 May 92

["Official" Communique issued by the Foreign Ministry in Lima on 26 May]

[Text] The Peruvian Government deplores the decision by the government of the sister republic of Panama to suspend diplomatic relations with Peru, especially when the American community has expressed its support for the clear position of Peru and its commitment to return promptly to constitutional order. This action stands in contrast when other countries of the continent have decided to normalize their relations with Peru.

As a result of the unilateral decision adopted by the Panamanian Government relations between Peru and Panama will be maintained at the consular level. The Peruvian Government reiterates the historic and traditional ties of friendship that exist between the peoples of Peru and Panama.

Lima, 26 May 1992.

Political Struggle Needed To Fight Subversion

PY2605211092 Lima EL PERUANO in Spanish 15 May 92 p A3

[Text] Carlos Tapia Garcia, an expert in Peruvian subversive matters, has urged the district's democratic political forces to set aside their internal disagreements and join the political struggle against Shining Path actions in settlements and suburbs.

He believes that the subversive phenomenon should be understood mainly as a political problem, and in this regard the struggle should be aimed at trying to find ways to prevent the Shining Path from winning elections in the pro-electrification committees, community councils, or neighbors associations.

Tapia said the anti-subversive struggle should be mainly focused on the need to politically and ideologically isolate the Shining Path so that military repression with the active participation of civilian society can become effective.

In this regard, he refused to consider the subversive phenomenon as a military or police problem that should be confronted with dragnet operations, searches for information, or implementation of civic actions like the distribution of food and medical assistance.

We should realize that if one seeks to expand the actions carried out in Raucana, which has barely 400 families, it will be necessary to multiply the military forces operating in this area by 20 or 30 so that they can conduct a similar action in the Canto Grande upper zone, where settlements have more than 8,000 families.

Tapia's analysis is based on the starting point of when the government decided to form urban patrols as a mechanism to fight terrorist actions.

Concerning the latter issue, the expert deemed it important for district mayors, along with a civic committee, to jointly head urban patrol organizations to struggle against crime, drug addiction, and terrorism.

In this regard, he explained, the people in the districts will have to closely cooperate with their mayors, who will have to constantly coordinate actions with the military chiefs of the areas threatened by the groups that have taken up arms. All this must be supported by an economic policy that will favor a solution to the most pressing and sensitive problems experienced by the poorest settlements, which are targeted by the Shining Path.

The expert also believes it is necessary to form pacification and development committees in order to ideologically and politically combat subversion, thus achieving subversion's social isolation in order to resolve the pressing problem of survival.

Tapia said: "Under these conditions, military and police repression would become fully effective and would be actively supported by the entire civilian society."

Detachment

During a break in his analysis, Tapia noted that, although it is true that the factors of poverty, injustice, and even ethnic violence were important for the Shining Path's creation, the Shining Path, as any fundamentalist phenomenon, is now becoming detached from the factors that favored its creation.

With this focus in mind, Tapia reasserted that the struggle must be conducted in the political arena, that is, in the struggle for social organization and in the conceptual field in order to resolve the serious problems currently experienced by our country's settlements.

Rebel Leader Captured

PA2605201592 Lima Global de Television Network in Spanish 0100 GMT 26 May 92

[Text] The Counterterrorism Division [DINCOTE] captured Shining Path leader Luis Regalado Huaman in Norte Chico. Regalado has been charged with involvement in the murder of the mayor of Huaura and other cases. The police also announced on 25 May that an MRTA [Tupac Amaru Revolutionary Movement] computerized documentation and processing center was dismantled.

[Begin recording of DINCOTE representative] During the course of the investigations we found documents that helped us locate the computer center. [end recording]

The DINCOTE showed reporters the items seized during a search at the Optimisa company, which had close ties

to the MRTA. The company in question apparently served as a facade for the MRTA's information center; documents stored in the microcomputers pertained to the MRTA's economic and financial movements, and also contained the addresses and telephone numbers of several public and private institutions.

Optimisa's staff, whose names have not been disclosed, are being investigated to establish their involvement in the MRTA's activities.

[Begin recording of DINCOTE representative] During the search we discovered the names of the company's board members and employees, we arrested them, and they will now be investigated. The results of the investigation will be confidential. We have arrested four or five individuals but their legal status has not yet been established; they must undergo an investigation. [end recording]

Luis Regalado Huaman, the political leader of the Shining Path committee in Norte Chico who was captured in Huacho on 19 May, was introduced to the press. Regalado is known in clandestine circles as Jorge Velarde Merboro, age 36. The activities he has been involved in include the murder of Huaura Mayor Jesus Manuel Morales in August 1991; in 1980, he participated in the Shining Path attack on Chuschi, Ayacucho Department, where he was a teacher.

Rebels Infiltrating Vendors

PY2705021492 Lima EL COMERCIO in Spanish 19 May 92 p A11

[By Miguel Ramirez P.]

[Text] The Shining Path is presumably extending its influence to a vital labor sector in Lima: the street vendors.

This has been demonstrated by such events as the murder of union leader Susano Lago Melgar (the first member of the street vendors union to be killed), a frustrated armed stoppage that occurred during the middle of April in La Victoria Market, and a series of suspicious events that have occurred in the Central Market and important streets in downtown Lima.

These events that have occurred during the last few weeks must be added to the contents of the pamphlets distributed daily by Shining Path groups in the shantytowns and to the articles that dealt exclusively with the street vendors that were published in November 1991 in the clandestine and recently suppressed Shining Path mouthpiece EL DIARIO.

In those pamphlets and articles, which have been obtained by EL COMERCIO's Investigative Unit, the terrorist leaders call street vendors the "Industrial Reserve Guerrilla Army" ["Ejercito Guerrillero de Reserva Industrial"], "society's most oppressed sector," and "one of the proletariat's vanguards."

Of this number [as published], only 100,000 street vendors are appropriately organized and are members of the Departmental Federation of Street Vendors [Federacion Departamental de Vendedores Ambulantes] (Fedeval), and the rest of them are grouped in pseudo associations that have not even been enrolled in public registers.

There is another association called the Federation of Street Vendors of Downtown Lima [Federacion de Vendedores Ambulantes del Centro de Lima] (Fevacel), whose members mostly work in the Central Market.

Fevacel leaders (none of whom wished to make formal statements) indicate that they have some 2,400 members, and that they are confronting Fedeval leaders "in a war to the death."

According to the union leader interviewed by this newspaper, the Shining Path is taking advantage of this rivalry and every day it talks with the grass roots to blacken the image of these organization's leaders in order to try and attract more followers within this sector.

Fedeval President Jesus Meza has said that "this is dangerous. Shining Path is carrying out a slow but steady task. And, although it does not have the support of the majority of the organized street vendors, it is causing fear because its ideological task is tenacious. And the fact that when the Fedeval held its congress in November 1991, the Shining Path turned up publicly and tried to get 12 of its members elected to the board is proof of this."

According to the leader and other people, who asked not to be identified, who were interviewed, and whose remarks are recorded, the Shining Path controls several grass-roots factions in Ramon Castillo Plaza (better known as Castilla Plaza), Dos de Mayo Plaza, Union Avenue, Central Market, and other unions that make up the Jesus Maria and El Rimac federations.

APRA Accuses Fujimori of 'Intimidation' Policy

PA2605035892 Mexico City NOTIMEX in Spanish
0021 GMT 26 May 92

[Excerpt] Lima, 25 May (NOTIMEX)—Opposition American Popular Revolutionary Alliance [APRA] on 25 May denounced the emergency government of President Alberto Fujimori for starting an "intimidation campaign" against leaders of that social democratic party.

Armando Villanueva, senator of the dissolved Congress, affirmed that Fujimori began "a new offensive against the APRA to upset the party's stability by means of threats and violence."

On 25 May, Villanueva found the word "death" and symbols of death written in black paint on the main entrance and walls of his residence. The APRA leader held the Fujimori government directly responsible for what he termed "a policy of intimidation, threats, and very possibly personal violence."

"We are now at this moment warning Fujimori's de facto government that fear has never made the APRA cause disappear, and we will never be frightened by this sort of behavior," he noted.

Villanueva stressed that the charge will also be filed before the Inter-American Commission on Human Rights during a visit that a mission of this organization will make to Peru on 29 May.

Senator Abel Salinas, a former interior minister during the Alan Garcia administration (1985-1990), said he formally requested the Interior Ministry to protect his life and the lives of his fellow party leaders, as well as those of their respective families. He reiterated that people with ties to the Fujimori government could have scribbled the things that were painted on the facade of his home.

Jorge del Castillo, another APRA leader, described the threats as "part of a campaign of political persecution" by Fujimori against former president Garcia, the APRA's current secretary general. [passage omitted]

Senator Criticizes Decree on Foreign Debt Notes

PY2605232492 Lima LA REPUBLICA in Spanish
18 May 92 pp 10, 11

[Excerpts] A great scandal broke out this week after Senator Manuel Moreyra reported the existence of a supreme decree issued by the government allowing national financial enterprises to reach agreements with bearers of short-term foreign debt notes.

The SODE [Solidarity and Democracy] leader voiced his doubts regarding the openness of the transactions and questioned the advisability and timing of these actions for national interests.

To understand a problem related to the international financial world, which is complicated for the man on the street not accustomed to the language and mechanisms of international negotiations, we approached the very source of information to try to simplify the issues and give our readers a straightforward explanation of this measure. [passage omitted]

The policy restricting payment of the foreign debt implemented by former President Alan Garcia devalued medium- and long-term foreign debt notes by 4 percent of their nominal value and short-term notes by 30 percent.

However, the difficult negotiations carried out by President Alberto Fujimori's government to virtually reinstate Peru in the international financial system immediately increased the value of the medium- and long-term foreign debt notes from 4 to 17 percent and the short-term notes from 30 to 60 percent.

The price of the underdeveloped countries' foreign debt notes in the secondary market reflects the international

financial community's expectations regarding the economic development of each country, and they tend to increase when there are indications that the situation is improving.

Economy and Finance Ministry [MEF] sources consulted by LA REPUBLICA said: "The doubtful transactions carried out in the past must not be repeated, but that trauma must not represent an obstacle for the economy's development and less still become a taboo."

The sources noted that the efficient use of this tool could become a key to development, improving the national financial situation and supporting the privatization process that is developing with great difficulties in Peru.

They also noted that the mechanism created through Supreme Decree No. 086-92-EF represents a transparent means so that debtor financial enterprises may reach an agreement with the bearers of their foreign debt notes, according to their own payment capacity at market prices.

The sources said that neither the president, any minister, nor any public servant will arrange the negotiations without the prices of the notes, but rather the very financial enterprises and the bearers of these notes. The Foreign Debt Committee only will give a favorable opinion and register the transactions without participating in the negotiations, as long as the purchasing agents are national enterprises, because these transactions will be carried out normally at the international level.

The sources added that these transactions will not affect the Treasury because they entail short-term debts of the national financial system, whose equivalent is on deposit in the Central Reserves Bank. Quite the contrary, they will allow the improvement of the debtor enterprises' financial situation.

Moreover, the decree does not force but rather gives the financial enterprises the opportunity to buy the notes, something they could not do in the past. The decision to buy the notes or not is up to the enterprises' managements.

MEF sources explained that the first transactions carried out within the framework of this decree were the purchases of Bolivia's Peoples Bank [Banco Popular de Bolivia] debt notes that amount to \$7.5 million, nominal value, which will strengthen the three enterprises (not further identified). Moreover, this is one of the basic requirements of the Bolivian Banks Superintendency in order to privatize that bank.

Regarding Moreyra's criticisms, the sources said this decree falls within the framework of the Foreign Indebtedness Law, approved by Congress with Moreyra's vote in favor. Article No. 9 of this law states that the MEF has the power to reschedule, reorganize, refinance, and carry out any other changes that will mean improving or

reducing the foreign debt service, taking into account the reduction of the amounts and the conversion of the balance.

The sources also dismissed the comments on the timing of the measure and that it is the result of a thoughtless decision because, they said, it is quite the contrary. It gives the creditor banks a sign of credibility, and the measure befits the strategy adopted by the Foreign Debt Committee headed by Raymundo Morales. [passage omitted]

Uruguay

Lacalle Appeals for Social Security Reform

PY2605212092 Montevideo Radio Carve in Spanish
0001 GMT 26 May 92

[Speech to the nation by President Luis Alberto Lacalle; place and date not given—recorded]

[Text] Fellow countrymen: Every time we have faced important issues, from the first days of our administration, we have acted in the following manner. We have called on all political leaders and all political groups to exchange ideas on possible solutions—not just because our government does not have a majority in Congress, but because the topics in question exceeded the term of this administration by a large margin. The topics affect the entire country; it is not the responsibility of a single administration.

We acted in this manner when Uruguay decided to join Mercosur [Common Market of the South], the most important event in the country since independence. We could have made the decision without consulting anyone—we have the constitutional right to do that—but we thought it was necessary to invite the most important—all—political leaders to come to Government House to talk about the issue. We did this so that we could say: Uruguay joined Mercosur. The issue was discussed among all groups. We propose great national solutions to great national topics.

We acted similarly when preparing the bill on public enterprises. This bill changed a state attitude of intervening in commerce and industry. This was an old attitude that started at the beginning of the century. We consulted with political leaders before sending the bill to Congress.

We acted in a similar manner when facing the very tough issue of social security because it is an issue that will affect future generations and because it is truly a topic that goes beyond the term of a single government. We called on political leaders to hear data, figures, projections from technicians, Social Security Bank authorities, and the labor and social security minister. The figures showed a picture of intense drama.

Let us review some of those figures. They will help you ponder the importance of the topic, which affects us all.

In 1985 our country—through the Social Security Bank—paid \$718 million for retirements, pensions, and services. I am speaking about dollars with 1991 value for better comparison. In 1991 we paid \$1.114 billion. Our bill went from \$718 million to \$1.114 billion in this period. How are the bills broken down?

Retirements and pensions—we paid \$568 million in 1985, and \$857 million in 1991; payments while employable, that is, unemployment [word indistinct] and family subsidies—which fulfill a very important role—we paid \$140 million in 1985, and \$204 million in 1991; and elderly and disability compensation, that is, what we pay our unprotected fellow countrymen, or those who cannot work because of sickness—we paid \$11 million in 1985, and \$53 million in 1991.

We are talking about very important amounts that come from worker's contributions, amounts that are deducted from worker's salaries; company contributions made in the name of their workers; and our taxes, that is, everyone's contributions through taxes. That is why the crisis of the social security system is so important.

But the projection of these figures—not what we see today, not what you and I are living today, but the projection for the year 2000, which, as history goes, is just around the corner—shows we will need \$1.38 billion to pay our social security bills, but contributions will only amount to \$1.076 billion. The gap is always increasing, the figures will show ever greater deficits. This deficit, which is paid by everyone, including you and I, is covered by taxes. What is the result of this? We must pay high salaries because our contributions are high, and companies have higher costs and are at a disadvantage in competing in Mercosur.

We have a social security system in crisis. We must find a solution to the deficit.

This is why we called on all political groups. Those who came brought their social security technicians and experts. We met with legislators who have had vast experience in the area. Then on 15 July 1991, more than 10 months ago, we began a process that week after week had the nature of a dialogue and the characteristics of consultation. We asked for suggestions; we offered solutions; we discussed proposals. Of course, not everyone agreed on the system we were preparing. We acted on what was possible, seeking the support of enough votes for approval in order to relieve the country, particularly the country of the next generation, of this heavy burden. You have just heard the figures. Once we obtained a text among those who agreed in general terms, we sent the bill to Congress.

Here I want to pause a minute to discuss the concept of urgency that has been the subject of lengthy discussions in the past few days. The Constitution authorizes the executive branch to send bills of an urgent nature to Congress. What is the meaning of this concept of urgency? Simply that bills must be decided within a certain period. The terms also are established by the

Constitution in the case of the budget and the accounts on the budget implementation. These are laws with a deadline. The special thing about the character of urgency is that if Congress does not decide, the bill is automatically approved at the end of the period established for discussion.

I am convinced this was a topic that deserved to be discussed urgently, not because it was something new, not because its effects will be seen the day after tomorrow, but because the country needs to know. The people must know where they stand. Businessmen, workers, investors, those who are beginning to contribute, those whose periods are ending, pensioners who have their pensions guaranteed and who were helped by the new system more than anyone because it was a more solid system, all of us had and have an urgent need to know where we stand regarding social security.

So the bill was sent to Congress, and legislators began to analyze it. As is usual in the country, legislators established the deadlines, the recesses, the necessary postponements, expecting to obtain better and more adequate solutions. We never rejected studying new possibilities. But on 21 May, Congress voted the bill down. Today we are left with the figures I just mentioned but no solution in sight.

This does not mean that the executive branch will despair of carrying the issue through. On the contrary. We considered the issue urgent, we sent it to Congress with the constitutional classification of urgent, and today we continue to believe it is urgent even though we can no longer use the constitutional title.

That is why, fellow countrymen, the labor and social security minister will go to Congress tomorrow to hear suggestions. We want to say that the executive branch continues seeking a solution to the problem, that we are concerned. The crisis perhaps will not bring down the system during this administration, but it is our responsibility to anticipate it. This is why I am talking to you tonight. I want to invite all of you to participate in this undertaking. The media can cooperate by covering the issue broadly, by covering opinions, proposals, and all possible solutions, because everyone must be heard.

We need the cooperation of entrepreneurs whose costs are at risk and whose competitiveness will be greatly compromised if the issue is not resolved. We need the cooperation of workers who pay a substantial part of their salaries to the social security system and whose contribution is not enough. We have to take more money out of the pocket of all taxpayers through the IVA [value added tax], through the Imesi [specific domestic tax], and other taxes. We need the cooperation of pensioners and young people because this is a national responsibility requiring a national solution. Let us leave aside subjective visions and short-term solutions. We want to believe that this great national issue will be resolved by all Uruguayans with national pride, willpower, and hope. Good night.

Meets With Sanguinetti

PY2605210092 Montevideo Radio El Espectador
Network in Spanish 1600 GMT 26 May 92

[Excerpt] President Luis Alberto Lacalle today met in Government House with former President Julio Maria Sanguinetti, leader of the Colorado Party's Batllista Forum faction. After the meeting, which lasted a little over an hour, Sanguinetti said that he basically had come to talk with Lacalle because in the past few days their two parties had experienced an uncomfortable and combative atmosphere in discussions on the draft bill to reform the social security system.

Sanguinetti said that this subject is of interest to the whole population and politicians alike, something he has been saying since he was president. The two parties, however, Sanguinetti said, continue sharing the idea that the social security system must be reformed in order to straighten out its accounting, but with the manner the discussions were being held until recently it was impossible to reach an agreement.

When asked if the Colorado Party would present a new draft bill on the subject, Sanguinetti said that such a possibility is too hasty since the labor and social security minister will go today to Congress to discuss the subject. Such a discussion, he added, may be the starting point to continue dealing with the social security issue. Overall, Sanguinetti said, the important thing is that he and Lacalle were satisfied with the result of today's conversation. He nonetheless remarked that his party did not change its position in the least nor did it reassert it. The important thing is, he said, that it is time to calm the waters and find a better atmosphere to reach a consensus among all sectors in order to solve the social security problem. [recorded passage omitted]

Venezuela**Military in Los Teques After Recent Violence**

PA2605162792 Mexico City NOTIMEX in Spanish
1514 GMT 26 May 92

[Excerpts] Caracas, 26 May (NOTIMEX)—The regional capital of Los Teques, 25 km south of Caracas, awoke under military control on 26 May after the violent period of disturbances and looting on 25 May that left at least three injured and caused property damage.

The Caracas daily EL GLOBO, citing "military sources," reported that since September there have been 1,376 street demonstrations in Venezuela, 679 of which have turned violent. [passage omitted]

Interior Minister Luis Pinerua maintained that demonstrations that turn violent are "unjustified and in some way are inspired by extremist leaders."

The minister criticized the media for "exaggerating" the protests, and stated that demonstrations and disturbances "distract" the police from dealing with an increasing crime wave in the country.

Defense Minister Fernando Ochoa said last week that, as a result of the abortive coup in February, leftist guerrilla groups took advantage of the climate of social unrest to regroup.

Oswaldo Alvarez, governor of oil-producing Zulia, said: "Some of those watching us might feel obliged to give Venezuelans answers that they are not getting from those who are responsible for providing such answers."

Political leaders have continued to search for a national agreement based on reforming the 1961 Constitution. The ruling Democratic Action (AD) party acknowledged that political organizations are duty bound to "achieve radical change" and vindicate their leaders, at a time when 65 percent of Venezuelans lack confidence in President Carlos Andres Perez.

AD spokesman Luis Rondon said "solutions to the crisis are not being achieved with the speed that we would desire," which Ochoa believes poses a threat of new outbreaks of violence in the country.

Christian Democratic leader Allan Brewer stated that the Venezuelan political system itself, not the Constitution, is in crisis, and this has generated a lack of legitimacy and credibility in the leadership.

Alvarez expressed concern over the defense minister's call to alert and added that apathy, negligence, and corruption might lead to outbreaks of civilian violence or a new military coup.

Ochoa Confirms Theft of Weapons; Probe Continues

PA2705043492 Caracas Venezolana de Television
Network in Spanish 0000 GMT 27 May 92

[Report by Giovanni Daboin]

[Text] Defense Minister General Fernando Ochoa Antich denied on 26 May that an armed incident took place at the Libertador Air Base in Palo Negro. In addition, he reported that weapons were indeed stolen from Turiamo Navy Base in the State of Aragua. Upon confirming this report, the defense minister stated that on 23 May, two UZI submachine guns and two light FAL rifles were stolen from that base. So far one soldier has been arrested. Meanwhile, the investigations to find the stolen weapons and those responsible for this incident continue.

Gen. Ochoa rejected the possibility that the recent disturbances in Caracas and Los Teques may be related to the warning made last week about violent incidents that would occur if the changes demanded were not made. In this regard, he said his statements on this issue have received more importance than necessary.

[Begin Ochoa recording] I only endorsed what I have clearly stated after 4 February. I made a call to the leadership of the country, considering that their maturity and the maturity of all Venezuelans will allow us to find solutions to the historical crisis we are experiencing. [end recording]

Finally, the defense minister explained that his meeting with President Perez and the high command of the Armed Forces in Miraflores Palace was aimed at analyzing the social welfare programs, which will be presented in the next few days at the Congress of the Republic.

New Supreme Court Board of Directors Elected

PA2705013992 Caracas Venezolana de Television Network in Spanish 0000 GMT 27 May 92

[Text] The new board of directors of the Supreme Court of Justice, which will govern for one year, was elected on 26 May. Gonzalo Rodriguez Corro was elected president; Alivio Abreu Burelli vice president; and Josefina Calcano de Temeltas second vice president. Enrique Sanchez Rizo was confirmed as secretary of the Court, along with Cristobal Gonzalez as magistrate bailiff.

The vote for president was as follows: nine votes for Rodriguez Corro, three for Anibal Rueda, one for Rafael Alfonso Guzman, and two unmarked ballots. During a speech after the election, the president-elect said he hoped to have his colleague's help and understanding. He stated that upon assuming this responsibility, he saw clearly that the traditional concept of chief, within the framework of public service, is one that needs to be changed.